

## Calendar No. 414

108TH CONGRESS  
1ST SESSION**S. 1786****[Report No. 108–210]**

To revise and extend the Community Services Block Grant Act, the Low-Income Home Energy Assistance Act of 1981, and the Assets for Independence Act.

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IN THE SENATE OF THE UNITED STATES

OCTOBER 28, 2003

Mr. ALEXANDER (for himself, Mr. DODD, Mr. KENNEDY, Mr. GREGG, Mr. BINGAMAN, Mr. DURBIN, Mr. KERRY, Mr. LIEBERMAN, Mr. PRYOR, Ms. STABENOW, Ms. COLLINS, and Mr. VOINOVICH) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

NOVEMBER 24, 2003

Reported by Mr. GREGG, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italie*]

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**A BILL**

To revise and extend the Community Services Block Grant Act, the Low-Income Home Energy Assistance Act of 1981, and the Assets for Independence Act.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the  
 3 “Poverty Reduction and Prevention Act”.

4 (b) **TABLE OF CONTENTS.**—The table of contents of  
 5 this Act is as follows:

Sec. 1. Short title; table of contents.

**TITLE I—COMMUNITY SERVICES BLOCK GRANT ACT**

Sec. 101. Purposes.

Sec. 102. Definitions.

Sec. 103. Authorization of appropriations.

Sec. 104. Establishment of program.

Sec. 105. Use of funds.

Sec. 106. Application and plan.

Sec. 107. Designation of eligible entities in underserved areas.

Sec. 108. Tripartite boards.

Sec. 109. Training, technical assistance, and other activities.

Sec. 110. Monitoring.

Sec. 111. Corrective action; termination and reduction of funding.

Sec. 112. Fiscal controls, audits, and withholding.

Sec. 113. Accountability and reporting requirement.

Sec. 114. Limitations on use of funds.

Sec. 115. Operational rule.

Sec. 116. Discretionary authority of the secretary.

Sec. 117. Community food and nutrition programs.

Sec. 118. National or regional programs designed to provide instructional ac-  
 tivities for low-income youth.

Sec. 119. Short title and conforming amendments.

**TITLE II—LOW-INCOME HOME ENERGY ASSISTANCE**

Sec. 201. Short title.

Sec. 202. Reauthorization.

Sec. 203. Natural disasters and other emergencies.

Sec. 204. Residential Energy Assistance Challenge option.

Sec. 205. Report to Congress.

**TITLE III—ASSETS FOR INDEPENDENCE ACT**

Sec. 301. Short title.

Sec. 302. Reauthorization of the Assets for Independence Act.

1 **TITLE I—COMMUNITY SERVICES**  
2 **BLOCK GRANT ACT**

3 **SEC. 101. PURPOSES.**

4 Section 672 of the Community Services Block Grant  
5 Act (42 U.S.C. 9901) is amended to read as follows:

6 **“SEC. 672. PURPOSES.**

7 “The purpose of this subtitle is to reduce poverty—

8 “(1) by strengthening and coordinating local ef-  
9 ferts to expand opportunities for individuals and  
10 families to become economically self-sufficient and to  
11 improve and revitalize the communities in which low-  
12 income Americans live, by providing resources to  
13 States for support of local eligible entities and their  
14 partners to—

15 “(A) plan, coordinate, and mobilize a  
16 broad range of Federal, State, local, and pri-  
17 vate assistance or investment in such a manner  
18 as to use these resources effectively to reduce  
19 poverty and in initiatives that are responsive to  
20 specific local needs and conditions;

21 “(B) organize multiple services that meet  
22 the needs of low-income families and individ-  
23 uals, especially low-wage workers and their fam-  
24 ilies, and that assist them in developing the as-  
25 sets and skills needed to become self sustaining

1 while ensuring that these services are provided  
2 efficiently, in appropriate combinations, and in  
3 effective sequence; and

4 “(C) design and implement comprehensive  
5 approaches to assist individuals transitioning  
6 from the Temporary Assistance to Needy Fami-  
7 lies Program to work;

8 “(2) by improving and revitalizing the commu-  
9 nities in which low-income Americans live by pro-  
10 viding resources to—

11 “(A) broaden the financial resource base of  
12 initiatives and projects directed to the elimi-  
13 nation of poverty and the re-development of the  
14 low-income community, including partnerships  
15 with non-governmental and governmental insti-  
16 tutions to develop the community assets and  
17 services that reduce poverty, such as—

18 “(i) other private, charitable, neigh-  
19 borhood-based, and religious organizations;

20 “(ii) individual citizens, and busi-  
21 nesses, labor, and professional groups, who  
22 are able to influence the quantity and qual-  
23 ity of opportunities and services for the  
24 poor; and

25 “(iii) local government leadership; and

1           “(B) coordinate or create community-wide  
2           assets and services that will have a significant,  
3           measurable impact on the causes of poverty in  
4           the community and that will help families and  
5           individuals to achieve economic self-sufficiency,  
6           and test innovative, community-based ap-  
7           proaches to attacking the causes and effects of  
8           poverty and of community breakdown, includ-  
9           ing—

10           “(i) innovative initiatives to prevent  
11           and reverse loss of investment, jobs, public  
12           services, and infrastructure in low- and  
13           moderate-income communities; and

14           “(ii) innovative partnerships to de-  
15           velop the assets and services that reduce  
16           poverty, as provided for in subparagraph  
17           (A); and

18           “(3) by ensuring maximum participation of  
19           residents of low-income communities and of mem-  
20           bers of the groups served by programs under this  
21           subtitle in guiding the eligible entities and in their  
22           programs funded under this subtitle to ameliorate  
23           the particular problems and needs of low-income  
24           residents of their communities and to develop the  
25           permanent social and economic assets of the low-in-

1       come community in order to reduce the incidence of  
2       poverty.”.

3   **SEC. 102. DEFINITIONS.**

4       Section 673 of the Community Services Block Grant  
5   Act (42 U.S.C. 9902) is amended—

6           (1) in paragraph (1)(A)(ii), by striking “or  
7       other mechanism”; and

8           (2) in paragraph (2)—

9               (A) in the first sentence—

10                   (i) by striking “Office of Management  
11                   and Budget” and inserting “Department  
12                   of Health and Human Services”; and

13                   (ii) by inserting before the period the  
14                   following: “and increased, as the Secretary  
15                   determines appropriate, to take into ac-  
16                   count higher costs-of-living for a State”;  
17                   and

18               (B) by striking the last sentence and in-  
19               serting the following: “Whenever a State deter-  
20               mines that is has served the objectives of the  
21               block grant program established under this sub-  
22               title, the State may revise the poverty line,  
23               while placing a priority in serving those who are  
24               most in need, so that 125 percent of the official  
25               poverty line is the minimum level that a State

1 shall be permitted to set as its maximum eligi-  
 2 bility requirement and 60 percent of the State's  
 3 median income is the maximum level that a  
 4 State shall be permitted to set as its maximum  
 5 eligibility requirement. The State may revise  
 6 the poverty line only upon a determination that  
 7 eligible entities are providing, coordinating, or  
 8 partnering with means-tested support services  
 9 for low and moderate-income individuals and  
 10 families above the official poverty line. Nothing  
 11 in this paragraph shall be construed to prevent  
 12 eligible entities from continuing to support indi-  
 13 viduals and families during their transition  
 14 from program eligibility to achieve specific goals  
 15 for their economic security and long-term self-  
 16 sufficiency as long as priority is given to serv-  
 17 ing the lowest income individuals who seek serv-  
 18 ices.”.

19 **SEC. 103. AUTHORIZATION OF APPROPRIATIONS.**

20 Section 674 of the Community Services Block Grant  
 21 Act (42 U.S.C. 9903) is amended—

- 22 (1) in subsection (a), by striking “1999 through  
 23 2003” and inserting “2004 through 2009”; and  
 24 (2) in subsection (b)(2)—

(A) in subparagraph (A), by striking “or associations” and inserting “and associations”;  
and

(B) in subparagraph (B)—

(i) by striking “ $\frac{1}{2}$  of the remainder” and inserting “not less than  $\frac{1}{2}$  of the remainder”; and

(ii) by striking “evaluation and” and inserting “evaluation and training and technical assistance activities and”.

**SEC. 104. ESTABLISHMENT OF PROGRAM.**

Section 675 of the Community Services Block Grant Act (42 U.S.C. 9904) is amended by striking “through the program” and all that follows through the period and inserting “to States for the purpose of ameliorating the causes of poverty and the conditions caused by poverty in their communities.”.

**SEC. 105. USE OF FUNDS.**

Section 675C(b) of the Community Services Block Grant Act (42 U.S.C. 9907) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking “entities in need of such training and assistance” and inserting “eligible entities and their statewide associations that strengthens their mana-



1       gerial or programmatic capabilities to reduce  
2       poverty”; and

3               (B) by striking subparagraphs (B) through  
4       (H), and inserting the following:

5               “(B) supporting statewide coordination  
6       and communication among eligible entities and  
7       State-operated or supported programs and serv-  
8       ices, and other locally-operated programs and  
9       services targeted to low-income individuals and  
10      their children and families, so as to ensure that  
11      local eligible entities’ services are integrated in  
12      a manner that allows such low-income indi-  
13      vidual and their families to have access to as  
14      many sources of assistance as are appropriate  
15      to support their progress to economic stability  
16      and self-sufficiency;

17              “(C) supporting innovative partnerships,  
18      programs, and activities conducted by commu-  
19      nity action agencies and their partners includ-  
20      ing other community-based organizations to  
21      eliminate poverty, promote self-sufficiency, and  
22      promote community revitalization, including  
23      asset-building programs for low-income individ-  
24      uals, such as programs supporting individual

1 development accounts, and home or business  
2 ownership;

3 “(D) analyzing the distribution of funds  
4 made available under this subtitle within the  
5 State to determine if such funds have been tar-  
6 geted to the areas of greatest need;

7 “(E) supporting State charity tax credits  
8 as described in subsection (c);

9 “(F) supporting the identification of exem-  
10 plary grantee agencies or programs as Centers  
11 of Innovation and methodology for dissemi-  
12 nating innovative programs and other best  
13 practices from those agencies statewide;

14 “(G) supporting the development of eligible  
15 entities’ partnerships with local law enforce-  
16 ment agencies, local housing authorities, private  
17 foundations, and other public and private part-  
18 ners; and

19 “(H) supporting other activities, consistent  
20 with the purposes of this subtitle.”;

21 (2) in paragraph (2), by adding at the end the  
22 following: “: The State shall also ensure that all  
23 funds distributed under subsection (a) are not used  
24 for excessive administrative expenses and that all  
25 funds distributed under such subsection used for sal-

aries by a local entity are fair and equitable. The State has the authority to determine the appropriate level of funds distributed under subsection (a) that an eligible entity shall use for administrative expenses.”.

**SEC. 106. APPLICATION AND PLAN.**

Section 676 of the Community Services Block Grant Act (42 U.S.C. 9908) is amended—

(1) in subsection (b)—

(A) in the matter preceding paragraph (1), by inserting “for the Secretary’s approval” after “to the Secretary”;

(B) by striking paragraphs (1) through (6) and inserting the following:

“(1) an assurance that funds made available through the grant or allotment will be used—

“(A) to support activities directly and through eligible entities that are designed to expand opportunities for and assist low-income individuals and their families (including low-income workers) to become self-sufficient, including low-income workers, families, and individuals receiving assistance under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); homeless families and individuals; mi-

1 grant or seasonal farmworkers, and elderly low-  
2 income individuals and families, and a descrip-  
3 tion of how such activities will enable the fami-  
4 lies and individuals—

5 “(i) to remove obstacles and solve  
6 problems that block the achievement of  
7 self-sufficiency by organizing and coordi-  
8 nating support for those served under  
9 paragraph (3);

10 “(ii) to secure and retain employment  
11 that provides adequate income with essen-  
12 tial benefits;

13 “(iii) to attain an adequate education,  
14 with particular attention toward improving  
15 literacy and communications and technical  
16 skills of the low-income families in the  
17 communities involved;

18 “(iv) to make better use of available  
19 income and build household assets;

20 “(v) to obtain and maintain adequate  
21 housing and a suitable living environment;

22 “(vi) to obtain assistance that is need-  
23 ed to resolve family emergencies and indi-  
24 vidual needs, to prevent further hardships,  
25 and to secure economic independence; and

1                   ~~“(vii) to participate fully in the public~~  
2                   ~~affairs and management of their commu-~~  
3                   ~~nities and the governance of eligible enti-~~  
4                   ~~ties; and~~

5                   ~~“(B) to make more effective use of, and to~~  
6                   ~~coordinate with, other programs related to the~~  
7                   ~~purposes of this subtitle (including State wel-~~  
8                   ~~fare reform efforts);~~

9                   ~~“(2) a description of how the State intends to~~  
10                  ~~use discretionary funds made available from the re-~~  
11                  ~~mainder of the grant or allotment described in sec-~~  
12                  ~~tion 675C(b) in accordance with this subtitle, includ-~~  
13                  ~~ing a description of how the State will support inno-~~  
14                  ~~vative community-based initiatives of eligible entities~~  
15                  ~~and their partners related to the purposes of this~~  
16                  ~~subtitle;~~

17                  ~~“(3) an assurance that the State has integrated~~  
18                  ~~programs of general relevance in its plan, to the ex-~~  
19                  ~~tent appropriate to the needs of low-income commu-~~  
20                  ~~nities served by the eligible entities, including a de-~~  
21                  ~~scription of innovative community and neighborhood-~~  
22                  ~~based initiatives such as—~~

23                  ~~“(A) initiatives with the goal of strength-~~  
24                  ~~ening families and encouraging effective par-~~  
25                  ~~enting, including fatherhood initiatives;~~

1           “(B) initiatives to assist those moving  
2           from welfare to work to obtain jobs at decent  
3           wages with benefits, including those low-income  
4           individuals and their families who are attempt-  
5           ing to transition off a State program carried  
6           out under part A of title IV of the Social Secu-  
7           rity Act;

8           “(C) programs for the establishment of vi-  
9           olence-free zones that would involve youth de-  
10          velopment and intervention models that pro-  
11          mote youth success (such as models involving  
12          youth mediation, youth mentoring, life skills  
13          training, job creation, and entrepreneurship  
14          programs);

15          “(D) family literacy initiatives;

16          “(E) initiatives to increase the develop-  
17          ment of household assets of individuals such as  
18          individual development accounts and home-  
19          ownership opportunities;

20          “(F) public and private partnerships to  
21          foster community development, affordable hous-  
22          ing, job creation, and other means of building  
23          the assets of low-income communities;

24          “(G) partnerships with local law enforce-  
25          ment agencies, which may include participation

1 in community policing, and activities to assist  
2 community residents and public safety officials  
3 in the event of emergencies, including threats to  
4 national security;

5 “(H) initiatives to improve economic condi-  
6 tions and mobilize new resources in rural areas  
7 and other at-risk areas to eliminate obstacles to  
8 the self sufficiency of families and individuals in  
9 those communities;

10 “(I) initiatives to help reduce the con-  
11 centration of poverty in cities and inner suburbs  
12 and provide economic opportunities for individ-  
13 uals and families in those areas; and

14 “(J) partnerships with nonprofit or com-  
15 munity-based organizations that demonstrate  
16 effectiveness in child abuse prevention, includ-  
17 ing with programs that are school-based and  
18 that focus on adolescent victims, and victim-  
19 izers;

20 “(4) an assurance that the State will provide  
21 information, including—

22 “(A) a description of the State measure-  
23 ment system and results for the performance  
24 goals established under section 678E(a)(1)(C);

1           “(B) a description of the service delivery  
2           system, for services provided or coordinated  
3           with funds made available through grants made  
4           under section 675C(a), targeted to low-income  
5           individuals and families in communities within  
6           the State;

7           “(C) a description of how linkages will be  
8           developed to fill identified gaps in the services,  
9           through the provision of information, referrals,  
10          case management, and followup consultations,  
11          and to support mobilization of new resources  
12          and partnerships;

13          “(D) a description of how funds made  
14          available through grants made under section  
15          675C(a) will be coordinated with other public  
16          and private resources; and

17          “(E) a description of how the local entity  
18          will use the funds to support innovative commu-  
19          nity and neighborhood-based initiatives related  
20          to the purposes of this subtitle;

21          “(5) an assurance that eligible entities in the  
22          State will provide, on an emergency basis, for the  
23          provision of such supplies and services, nutritious  
24          foods, and related services, as may be necessary to



1       counteract conditions of starvation and malnutrition  
2       among low-income individuals;

3           ~~“(6) an assurance that the State has, to avoid~~  
4       ~~duplication of such services, and to ensure that pro-~~  
5       ~~gram gaps are addressed, identified and coordinated~~  
6       ~~with eligible entity programs, with State and local~~  
7       ~~agencies, and with programs that assist low-income~~  
8       ~~individuals and their families, including—~~

9           ~~“(A) programs carried out under part A of~~  
10       ~~title IV of the Social Security Act, the Work-~~  
11       ~~force Investment Act, and other programs de-~~  
12       ~~signed to coordinate work-related supportive~~  
13       ~~services for families;~~

14          ~~“(B) programs for expanding housing op-~~  
15       ~~portunities, reducing homelessness, and devel-~~  
16       ~~oping community investment projects;~~

17          ~~“(C) education programs, including those~~  
18       ~~for preschool and school-aged children and for~~  
19       ~~adults to obtain an adequate education; and~~

20          ~~“(D) programs designed to support youth,~~  
21       ~~the homeless, migrants, senior citizens, and in-~~  
22       ~~dividuals with disabilities, including programs~~  
23       ~~under the Low-Income Home Energy Assist-~~  
24       ~~ance Act of 1981;”;~~

1           (C) in paragraph (12), by striking “not  
2           later than fiscal year 2001” and inserting “an-  
3           nually”;

4           (D) in paragraph (13), by striking the pe-  
5           riod and inserting “in sufficient detail to permit  
6           verification; and”;

7           (E) by adding at the end the following:

8           “(14) beginning with fiscal year 2006, and in  
9           each fiscal year thereafter, an assurance that the  
10          State is using the procedures described in section  
11          678B(b) to monitor eligible entities.”; and

12          (2) by striking subsection (f).

13 **SEC. 107. DESIGNATION OF ELIGIBLE ENTITIES IN UNDER-**  
14 **SERVED AREAS.**

15          Section 676A(b) of the Community Services Block  
16          Grant Act (42 U.S.C. 9909(b)) is amended by adding at  
17          the end the following: “In granting such designation, the  
18          State shall deem private nonprofit eligible entities that are  
19          providing related services in the unserved area to be of  
20          demonstrated effectiveness, consistent with the needs iden-  
21          tified by a community needs assessment.”.

22 **SEC. 108. TRIPARTITE BOARDS.**

23          Section 676B(b) of the Community Services Block  
24          Grant Act (42 U.S.C. 9910(b)) is amended—

1           (1) by striking “through—” and all that follows  
 2           through “a tripartite” in paragraph (1) and insert-  
 3           ing “through a tripartite”;

4           (2) by striking paragraph (2);

5           (3) in subparagraph (C), by striking “; or” and  
 6           inserting a period; and

7           (4) by redesignating subparagraphs (A) through  
 8           (C) as paragraph (1) through (3), respectively and  
 9           realigning the margins of such paragraphs accord-  
 10          ingly.

11 **SEC. 109. TRAINING, TECHNICAL ASSISTANCE, AND OTHER**  
 12 **ACTIVITIES.**

13          Section 678A of the Community Services Block  
 14          Grant Act (42 U.S.C. 9913) is amended—

15           (1) in subsection (a)(1)—

16                   (A) in subparagraph (A), by striking “cor-  
 17                   rective action” and all that follows through “;  
 18                   and” and inserting “monitoring and such addi-  
 19                   tional corrective actions as may be needed to  
 20                   strengthen the management and programmatic  
 21                   practices of eligible entities;”;

22                   (B) by striking subparagraph (B) and in-  
 23                   serting the following:

24                           “(B) for State and local performance re-  
 25                           porting and program data collection activities

1           related to programs carried out under this sub-  
2           title;

3           ~~“(C) for the preparation of reports pro-~~  
4           ~~vided for in section 678F;~~

5           ~~“(D) for the development and promulga-~~  
6           ~~tion of a common State Financial and Organi-~~  
7           ~~zational Protocol that is required to be used by~~  
8           ~~States under section 678B(b); and~~

9           ~~“(E) to distribute amounts in accordance~~  
10          ~~with subsection (e).”;~~

11          ~~(2) in subsection (b)(2), by striking “an ongo-~~  
12          ~~ing procedure for obtaining input from the national~~  
13          ~~and State networks of eligible entities” and inserting~~  
14          ~~“a strategic plan for annual technical assistance de-~~  
15          ~~veloped in consultation with the national and State~~  
16          ~~networks of eligible entities regarding their manage-~~  
17          ~~ment support needs”; and~~

18          ~~(3) in subsection (c)(1), by striking “manage-~~  
19          ~~ment information” and all that follows through the~~  
20          ~~period, and inserting “improving management infor-~~  
21          ~~mation and reporting systems; measuring of pro-~~  
22          ~~gram results; ensuring responsiveness to identified~~  
23          ~~local needs; and reporting and disseminating suc-~~  
24          ~~cessful practices and initiatives”.~~

1 **SEC. 110. MONITORING.**

2 Section 678B of the Community Services Block  
3 Grant Act (42 U.S.C. 9914) is amended—

4 (1) in the section heading by striking “**OF EL-**  
5 **IGIBLE ENTITIES**”;

6 (2) in subsection (a)—

7 (A) by striking the subsection heading and  
8 inserting “MONITORING OF ELIGIBLE ENTI-  
9 THES”;

10 (B) in paragraph (1)—

11 (i) by inserting “biennial” after “on-  
12 site”; and

13 (ii) by striking “at least once during  
14 each 3 year period”;

15 (C) by striking paragraph (2);

16 (D) by redesignating paragraphs (3) and  
17 (4) as paragraphs (2) and (3), respectively; and

18 (E) in paragraph (2) (as so redesignated),  
19 by inserting “annual” after “Follow-up”;

20 (3) by redesignating subsections (b) and (c) as  
21 subsection (c) and (d), respectively;

22 (4) by inserting after subsection (a) the fol-  
23 lowing:

24 “(b) FINANCIAL AND ORGANIZATIONAL ASSESSMENT  
25 PROTOCOL.—Beginning in fiscal year 2006, States shall  
26 implement a financial and organizational assessment pro-

1   toocol to monitor and evaluate the compliance of eligible  
 2   entities with the financial and administrative requirements  
 3   of this section. Such protocol shall incorporate the fiscal  
 4   and organizational review procedures and standards ap-  
 5   propriate to the management of Federal funds under this  
 6   subtitle and the governance of the eligible private non-  
 7   profit corporations or other eligible entities. The Secretary  
 8   shall require the protocol to be developed jointly by the  
 9   States and eligible entities and shall assist States in devel-  
 10   oping appropriate training for personnel monitoring the  
 11   uses of funds under this subtitle according to the require-  
 12   ments of this section.”; and

13           (5) in subsection (d), as so redesignated, strike  
 14   the last sentence and insert the following: “The Sec-  
 15   retary shall annually submit a report including the  
 16   results of the evaluations conducted under this sub-  
 17   title, the State performance reports provided for  
 18   pursuant to section 678E(a)(1)(C), and other mate-  
 19   rial as provided by section 678E(b)(2) to the Com-  
 20   mittee on Education and the Workforce of the  
 21   House of Representatives and the Committee on  
 22   Health, Education, Labor, and Pensions of the Sen-  
 23   ate.”.

1 **SEC. 111. CORRECTIVE ACTION; TERMINATION AND REDUC-**  
 2 **TION OF FUNDING.**

3 Section 678C of the Community Services Block  
 4 Grant Act (42 U.S.C. 9915) is amended—

5 (1) in subsection (a)—

6 (A) in paragraph (4), by striking “and” at  
 7 the end; and

8 (B) by striking paragraph (5) and insert-  
 9 ing the following:

10 “(5) if the eligible entity fails to correct the de-  
 11 ficiency, notify the entity—

12 “(A) that the State intends to initiate pro-  
 13 ceedings to terminate the designation of the en-  
 14 tity as an eligible entity or to reduce, from the  
 15 previous year, the proportion of the total fund-  
 16 ing received by the State under this subtitle  
 17 that is allocated to the eligible entity;

18 “(B) that the eligible entity has the right  
 19 to a hearing on the record to determine if there  
 20 is cause for such termination or reduction in  
 21 funding, as defined in section 676(c), and that  
 22 the request for a hearing must be made in writ-  
 23 ing to the State within 30 days of receipt of the  
 24 notice from the State; and

25 “(C) of the legal basis for the proposed  
 26 termination or reduction in funding; the factual

1 findings on which the proposed termination or  
 2 reduction in funding is based or a reference to  
 3 specific findings in another document that form  
 4 the basis for the proposed termination or reduc-  
 5 tion in funding (such as a reference to item  
 6 numbers in an on-site review report or instru-  
 7 ment), and citation to any statutory provisions,  
 8 agreements, regulations, or State plan; and  
 9 “(6) if the eligible entity requests a hearing,  
 10 conduct a hearing on the record to determine if  
 11 there is cause for termination or a reduction in  
 12 funding, as defined in section 676(e).”;  
 13 (2) in subsection (b)—  
 14 (A) by striking “review such a determina-  
 15 tion” and inserting “review and either approve,  
 16 or disapprove and reverse, such a determina-  
 17 tion”;  
 18 (B) by striking “90 days” each place that  
 19 such appears and inserting “30 days”; and  
 20 (C) by striking “90th day” and inserting  
 21 “30th day”; and  
 22 (3) in subsection (c), by adding at the end the  
 23 following: “The Secretary shall continue to fund an  
 24 eligible entity, in an amount equal to the same pro-  
 25 portion of total funds received by the State under



1       this subtitle as was allocated to the eligible entity  
 2       the previous year, until the Secretary approves, or  
 3       disapproves and reverses, the determination of ter-  
 4       mination or reduction in funding with respect to the  
 5       State.”.

6 **SEC. 112. FISCAL CONTROLS, AUDITS, AND WITHHOLDING.**

7       Section 678D of the Community Services Block  
 8       Grant Act (42 U.S.C. 9916) is amended—

9               (1) in subsection (a)(1)—

10                   (A) in subparagraph (C), by striking  
 11                   “and” at the end;

12                   (B) by redesignating subparagraph (D) as  
 13                   subparagraph (F); and

14                   (C) by inserting after subparagraph (C),  
 15                   the following:

16                   “(D) notwithstanding paragraph (2)(B),  
 17                   beginning in fiscal year 2005, and not less than  
 18                   every 2 years thereafter, each State shall sub-  
 19                   mit to the Secretary a separate audit of the  
 20                   funds appropriated under this subtitle that  
 21                   meets the standards in paragraph (2)(A); and

22                   “(E) submit full financial reports to the  
 23                   Secretary not later than 6 months following the  
 24                   end of each fiscal year; and”; and

1           (2) in subsection (b)(1), by adding at the end  
 2           the following: “The Secretary, after providing ade-  
 3           quate notice, shall withhold administrative funds de-  
 4           scribed in section 675C(b)(2) from any State that  
 5           fails to comply with the provisions of sections 678A  
 6           through 678D(a); and may, after an opportunity for  
 7           a hearing conducted within the affected State, with-  
 8           hold funds from the State and provide such funds  
 9           directly to the eligible entities in such State upon a  
 10          demonstration of the compliance by such entities  
 11          with the requirements of this subtitle.”

12 **SEC. 113. ACCOUNTABILITY AND REPORTING REQUIRE-**  
 13 **MENT.**

14          Section 678E of the Community Services Block  
 15          Grant Act (42 U.S.C. 9917) is amended to read as follows:

16 **“SEC. 678E. ACCOUNTABILITY AND REPORTING REQUIRE-**  
 17 **MENTS.**

18          “(a) STATE ACCOUNTABILITY AND REPORTING RE-  
 19          QUIREMENTS.—

20               “(1) PERFORMANCE MEASUREMENT OF ELIGI-  
 21          BLE ENTITIES.—

22                   “(A) IN GENERAL.—Each State that re-  
 23                   ceives funds under this subtitle shall partici-  
 24                   pate; and shall ensure that all eligible entities  
 25                   in the State participate, in a performance meas-

1           urement system, which may be a performance  
 2           measurement system for which the Secretary  
 3           facilitated development pursuant to subsection  
 4           (b), or an alternative system that the Secretary  
 5           is satisfied meets the requirements of sub-  
 6           section (b).

7           “(B) LOCAL AGENCIES.—The State may  
 8           elect to have local agencies that are subcontractors of the eligible entities under this subtitle  
 9           participate in the performance measurement  
 10          system. If the State makes that election, references in this section to eligible entities shall  
 11          be considered to include the local agencies.

12          “(C) PERFORMANCE MEASUREMENT OF  
 13          STATES.—Not later than 1 year after the date  
 14          of enactment of the Poverty Reduction and Pre-  
 15          vention Act, the Secretary shall establish, in  
 16          consultation with States and eligible entities,  
 17          performance standards for the State adminis-  
 18          tration of block grant funds. Such standards  
 19          shall include standards relating to—

20               “(i) the timeliness of the availability  
 21               of State plans for public comment as re-  
 22               quired under section 676(a)(2)(B) and of

1 submission of such plans to the Secretary  
2 as required in section 676(b);

3 “(ii) the utilization of the financial  
4 and organizational assessment protocol es-  
5 tablished under section 678B(b), including  
6 the training and skills of State personnel  
7 responsible for such oversight, the comple-  
8 tion of annual monitoring, the identifica-  
9 tion of opportunities for improvement, and  
10 the implementation of plans to enhance the  
11 management capacity and infrastructure of  
12 eligible entities;

13 “(iii) the timeliness of the distribution  
14 of block grants funds to eligible entities as  
15 provided in section 675C(a);

16 “(iv) the resources made available for  
17 management development at eligible enti-  
18 ties, including monitoring, training, and  
19 assistance with financial management and  
20 program information and assessment sys-  
21 tems;

22 “(v) the results of State efforts to co-  
23 ordinate eligible entity programs with  
24 other State programs for low-income indi-  
25 viduals and their families, especially par-

1            participants in the Temporary Assistance for  
 2            Needy Families Program and other work-  
 3            ing families; and to ensure the participa-  
 4            tion of eligible entities in the development  
 5            of statewide strategies to reduce poverty;  
 6            and

7            “(vi) the assistance provided to eligi-  
 8            ble entities in securing private partnerships  
 9            as required in section 676(b).

10           “(2) ANNUAL REPORT.—Each State shall annu-  
 11           ally prepare and submit to the Secretary a report on  
 12           the measured performance of the State and the eligi-  
 13           ble entities in the State. The State shall include in  
 14           the report any information collected by the State re-  
 15           lating to such performance. Each State shall also in-  
 16           clude in the report an accounting of the expenditure  
 17           of funds received by the State through the commu-  
 18           nity services block grant program; including an ac-  
 19           counting of funds spent on administrative costs by  
 20           the State and the eligible entities; funds spent by eli-  
 21           gible entities on the direct delivery of local services;  
 22           and the achievement of national goals established  
 23           under the procedures described in this section; and  
 24           shall include information on the number of and  
 25           characteristics of clients served under this subtitle in

1 the State, based on data collected from the eligible  
 2 entities. The State shall also include in the report a  
 3 summary describing the training and technical as-  
 4 sistance offered by the State under section  
 5 678C(a)(3) during the year covered by the report.

6 “(b) LOCAL ENTITY ACCOUNTABILITY AND REPORT-  
 7 ING REQUIREMENTS.—

8 “(1) LOCAL ENTITY DETERMINED GOALS.—In  
 9 order to be designated as an eligible entity and to  
 10 receive a grant under this subtitle, a grantee shall  
 11 establish grantee determined goals for reducing pov-  
 12 erty in the community, including goals for—

13 “(A) leveraging community resources;

14 “(B) fostering coordination of Federal,  
 15 State, local, private, and other assistance; and

16 “(C) promoting community involvement.

17 “(2) DEMONSTRATION THAT GOALS WERE  
 18 MET.—In order to receive a grant subsequent to the  
 19 first grant that is provided to an eligible entity fol-  
 20 lowing the date of enactment of the Poverty Reduc-  
 21 tion and Prevention Act, the entity shall dem-  
 22 onstrate to the State that substantial progress has  
 23 been made in meeting the goals of the entity as de-  
 24 scribed in paragraph (1).

1           ~~“(3) GOALS OR PERFORMANCE MEASURES.—~~

2           Any specific goals or performance measures, for an  
3           individual eligible entity, that are used in any moni-  
4           toring or review process under this subtitle, shall  
5           be—

6                     ~~“(A) determined by the entity;~~

7                     ~~“(B) agreed on by the State involved and~~  
8                     the entity, during the planning process leading  
9                     to the grant involved; and

10                    ~~“(C) incorporated into the grant agree-~~  
11                    ment between the State and entity for each  
12                    subsequent award cycle.

13           ~~“(c) SECRETARY’S ACCOUNTABILITY AND REPORT-~~  
14           ING REQUIREMENTS.—

15                    ~~“(1) FEDERAL PERFORMANCE MEASURE-~~  
16                    MENT.—The Secretary shall establish goals for the  
17                    Department of Health and Human Services Office of  
18                    Community Services with respect to—

19                    ~~“(A) the timeliness of the distribution of~~  
20                    funds under this subtitle, including funds for  
21                    training and technical assistance;

22                    ~~“(B) the monitoring of States as provided~~  
23                    for in section 678D;

24                    ~~“(C) the coordination of other Office of~~  
25                    Community Service programs with the activities

1 of States and eligible entities under this sub-  
2 title; and

3 “(D) the full and timely reporting as re-  
4 quired in this section.

5 “(2) LOCAL PERFORMANCE MEASUREMENT.—

6 “(A) IN GENERAL.—To the maximum ex-  
7 tent practicable, the Secretary shall coordinate  
8 reporting requirements for all programs of the  
9 Department of Health and Human Services  
10 that are managed by eligible entities so as to  
11 consolidate and reduce the number of reports  
12 required relating to individuals, families, and  
13 uses of grant funds, specifically funds under the  
14 Head Start Act, the Low-Income Home Energy  
15 Assistance Act of 1981, child care programs ad-  
16 ministered by the Department, and health re-  
17 lated service programs administered by the De-  
18 partment.

19 “(B) TECHNICAL ASSISTANCE.—The Sec-  
20 retary shall provide technical assistance, includ-  
21 ing support for the enhancement of electronic  
22 data systems, to States and to eligible entities  
23 to enhance their capability to collect and report  
24 data for such a system and to aid in their par-  
25 ticipation in such a system.



1           “(C) LOCAL ENTITY PERFORMANCE MEAS-  
2           UREMENT SYSTEM.—The Secretary shall assist  
3           in the implementation of a local entity perform-  
4           ance measurement system, and other voluntary  
5           programmatic and results reporting systems,  
6           developed by States, eligible entities, and their  
7           national associations acting together. The Sec-  
8           retary and the developers of such systems shall  
9           ensure that the set of measures are numerous  
10          enough to cover the full range of services of-  
11          fered by all local eligible entities. Under such a  
12          system, local eligible entities shall only be com-  
13          pelled to collect data on the subset of perform-  
14          ance measures that reflect their community-spe-  
15          cific programs and services currently adopted.  
16          Grantees shall not be required under this sub-  
17          paragraph to alter the collection of data for any  
18          reports provided for other programs within the  
19          Department of Health and Human Services or  
20          other Federal agencies. States shall compile an-  
21          nual Results Oriented Management and Ac-  
22          countability System reports for the Secretary  
23          under this subparagraph.

1           “(3) REPORTING REQUIREMENTS.—For each  
2       fiscal year the Secretary shall, directly or by grant  
3       or contract, prepare a report containing—

4           “(A) a summary of the planned use of  
5       funds by each State, and the eligible entities in  
6       the State, under the community services block  
7       grant program, as contained in each State plan  
8       submitted pursuant to section 676;

9           “(B) a description of how funds were actu-  
10      ally spent by the State and eligible entities in  
11      the State, including a breakdown of funds spent  
12      on administrative costs and on the direct deliv-  
13      ery of local programs by eligible entities;

14          “(C) information on the number of entities  
15      eligible for funds under this subtitle; the num-  
16      ber of low-income persons served under this  
17      subtitle; and such demographic data on the low-  
18      income populations served by eligible entities as  
19      is determined by the Secretary to be feasible;

20          “(D) a comparison of the planned uses of  
21      funds for each State and the actual uses of the  
22      funds;

23          “(E) a summary of each State’s perform-  
24      ance results, and the results for the eligible en-

1           tities, as collected and submitted by the States  
2           in accordance with subsection (a)(2); and

3           ~~“(F) any additional information that the~~  
4           Secretary considers to be appropriate to carry  
5           out this subtitle, if the Secretary informs the  
6           States of the need for such additional informa-  
7           tion and allows a reasonable period of time for  
8           the States to collect and provide the informa-  
9           tion.

10          ~~“(4) SUBMISSION.—The Secretary shall submit~~  
11          to the Committee on Education and the Workforce  
12          of the House of Representatives and the Committee  
13          on Health, Education, Labor, and Pensions of the  
14          Senate the report described in paragraph (2); and  
15          any comments the Secretary may have with respect  
16          to such report. The report shall include definitions  
17          of direct and administrative costs used by the De-  
18          partment of Health and Human Services for pro-  
19          grams funded under this subtitle.

20          ~~“(5) COSTS.—Of the funds reserved under sec-~~  
21          tion 674(b)(3), not more than \$500,000 shall be  
22          available to carry out the reporting requirements  
23          contained in paragraph (3).”.

1 **SEC. 114. LIMITATIONS ON USE OF FUNDS.**

2 Section 678F(c)(1) of the Community Services Block  
3 Grant Act (42 U.S.C. 9918(c)(1)) is amended by inserting  
4 “religion,” after “race,”.

5 **SEC. 115. OPERATIONAL RULE.**

6 Section 679(a) of the Community Services Block  
7 Grant Act (42 U.S.C. 9920(a)) is amended by inserting  
8 “and such organization meets the requirements of this  
9 subtitle” before the first period;

10 **SEC. 116. DISCRETIONARY AUTHORITY OF THE SECRETARY.**

11 Section 680 of the Community Services Block Grant  
12 Act (42 U.S.C. 9921) is amended—

13 (1) in subsection (a)—

14 (A) in paragraph (2)—

15 (i) by redesignating subparagraphs

16 (B) through (E) as subparagraph (D)  
17 through (G), respectively;

18 (ii) by striking subparagraph (A) and  
19 inserting the following:

20 “(A) ECONOMIC DEVELOPMENT ACTIVITIES.—The Secretary shall make grants de-  
21 scribed in paragraph (1) on a competitive basis  
22 to private, nonprofit organizations that are  
23 community development corporations to provide  
24 technical and financial assistance for economic  
25 development activities, including business, eco-  
26

1            nomic, and community development projects,  
 2            designed to address the economic needs of low-  
 3            income individuals and families by creating em-  
 4            ployment and business development opportuni-  
 5            ties. Such assistance shall include—

6                    “(i) long term loans (up to 15 years)  
 7                    or investments for private business enter-  
 8                    prises;

9                    “(ii) providing capital to businesses  
 10                   owned by community development corpora-  
 11                   tions; and

12                   “(iii) marketing and management as-  
 13                   sistance for businesses providing jobs and  
 14                   business opportunities to low income indi-  
 15                   viduals.

16                   “(B) FEDERAL INTEREST.—

17                   “(i) IN GENERAL.—The Secretary  
 18                   shall establish procedures that permit a  
 19                   grantee who receives funds under a grant  
 20                   to carry out this paragraph, or intangible  
 21                   assets acquired with such funds, to become  
 22                   the sole owner of the funds or assets be-  
 23                   fore the end of the 12-year period begin-  
 24                   ning at the end of the fiscal year for which  
 25                   the grant is made.

1                   “(ii) ~~CONDITIONS.~~—To be eligible to  
2                   become the sole owner, the grantee shall  
3                   agree—

4                   “~~(I)~~ to use the funds or assets  
5                   for the purposes and uses for which  
6                   the grant was made, or purposes and  
7                   uses consistent with this subtitle, dur-  
8                   ing and after the 12-year period de-  
9                   scribed in clause (i), whether or not  
10                  the grantee continues to be supported  
11                  by Federal funds; and

12                  “~~(II)~~ that, when the grantee no  
13                  longer needs the funds or assets for  
14                  purposes and uses described in sub-  
15                  clause (I), the grantee shall request  
16                  instructions from the Secretary about  
17                  the disposition of the funds or assets.

18                  “~~(iii)~~ ~~ENCUMBERING.~~—The grantee  
19                  may not encumber the assets without the  
20                  approval of the Secretary.

21                  “~~(C)~~ ~~ADMINISTRATIVE REQUIREMENTS.~~—

22                  In a case in which an eligible project under  
23                  grant made under this section cannot, for good  
24                  cause, be implemented, the Secretary shall es-  
25                  tablish a policy to permit the substitution of

other eligible projects. Such policy shall require that such project have the same impact area, the same goals, and the same objectives as the original project and outcomes that are substantially the same as the original project.”;

(iii) in subparagraph (E) (as so redesignated), by striking “community” and inserting “service area”; and

(iv) in subparagraph (G) (as so redesignated), by striking “1 percent” and inserting “2 percent”; and

(B) in paragraph (3)(B), by striking “community” and inserting “water and waste water”; and

(C) in paragraph (4), by striking “individual and families” and inserting “individual and their families”; and

(2) in subsection (c), by striking “Labor and Human Resources” and inserting “Health, Education, Labor, and Pensions”.

**SEC. 117. COMMUNITY FOOD AND NUTRITION PROGRAMS.**

Section 681 of the Community Services Block Grant Act (42 U.S.C. 9922) is amended—

1           (1) in subsection (c), by striking “Labor and  
2       Human Resources” and inserting “Health, Edu-  
3       cation, Labor, and Pensions”; and

4           (2) in subsection (d), by striking “1999 through  
5       2003” and inserting “2004 through 2009”.

6 **SEC. 118. NATIONAL OR REGIONAL PROGRAMS DESIGNED**  
7 **TO PROVIDE INSTRUCTIONAL ACTIVITIES**  
8 **FOR LOW-INCOME YOUTH.**

9       Section 682 of the Community Services Block Grant  
10 Act (42 U.S.C. 9923) is amended—

11           (1) in subsection (b)(2), by striking “or treat-  
12       ment”; and

13           (2) in subsection (g), by striking “\$15,000,000  
14       for each of fiscal years 1999 through 2003” and in-  
15       serting “\$18,000,000 for each of fiscal years 2004  
16       through 2009”.

17 **SEC. 119. SHORT TITLE AND CONFORMING AMENDMENTS.**

18       (a) **IN GENERAL.**—Section 671 of the Community  
19 Services Block Grant Act (42 U.S.C. 9901 note) is amend-  
20 ed by striking “Community Services Block Grant Act”  
21 and inserting “Poverty Reduction and Prevention Act”.

22       (b) **CONFORMING AMENDMENTS.**—

23           (1) **COMMUNITY SERVICES BLOCK GRANT**  
24 **ACT.**—The heading for subtitle B of title VI of the



1 Omnibus Budget Reconciliation Act of 1981 is  
 2 amended to read as follows:

3 **“Subtitle B—Poverty Reduction**  
 4 **and Prevention Program”.**

5 (2) OTHER PROVISIONS OF LAW.—The fol-  
 6 lowing provisions of law are each amended by strik-  
 7 ing “Community Services Block Grant Act” each  
 8 place that such appears and inserting “Poverty Re-  
 9 duction and Prevention Act”:

10 (A) Section 307(a)(3)(A) of the Consoli-  
 11 dated Farm and Rural Development Act (7  
 12 U.S.C. 1927(a)(3)(A)).

13 (B) Section 5(c)(1) of the Food Stamp Act  
 14 of 1977 (7 U.S.C. 2014(c)(1)).

15 (C) Section 201A(7) of the Emergency  
 16 Food Assistance Act of 1983 (7 U.S.C.  
 17 7501(7)).

18 (D) Section 172(13) of the Program for  
 19 Investment in Microentrepreneurs Act of 1999  
 20 (15 U.S.C. 6901(13)).

21 (E) Sections 201(b)(3), 435(o)(1)(A)(ii),  
 22 and 435(o)(1)(B)(ii) of the Higher Education  
 23 Act of 1965 (20 U.S.C. 1021(b)(3),  
 24 1085(o)(1)(A)(ii), and 1085(o)(1)(B)(ii)).

1           (F) Section 131(b)(2) of the Carl D. Per-  
 2           kins Vocational and Applied Technology Edu-  
 3           cation Act (20 U.S.C. 2351(b)(2)).

4           (G) Section 9109(33) of the Elementary  
 5           and Secondary Education Act of 1965 (20  
 6           U.S.C. 7801(33)).

7           (H) Section 231(a)(2) of the Museum and  
 8           Library Services Act (20 U.S.C. 9141(a)(2)).

9           (I) Sections 101(36), 112(b)(8)(A)(vii),  
 10          121(b)(1)(B)(x), and 501(b)(2)(O) of the  
 11          Workforce Investment Act of 1998 (29 U.S.C.  
 12          2801(36), 2822(b)(8)(A)(vii), and  
 13          2841(b)(1)(B)(x), and 20 U.S.C.  
 14          9271((b)(2)(O)).

15          (J) Section 303(9) of the Early Learning  
 16          Opportunities Act (20 U.S.C. 9402(9)).

17          (K) Sections 6501(4)(B) and 6703(a)(2)  
 18          of title 31, United States Code.

19          (L) Section 549(c)(3)(B)(ii) of title 40,  
 20          United States Code.

21          (M) Section 317M(c)(3)(B)(ii) of the Pub-  
 22          lic Health Service Act (42 U.S.C. 247b-  
 23          14(c)(3)(B)(ii)).

24          (N) Section 2110(c)(5) of the Social Secu-  
 25          rity Act (42 U.S.C. 1397jj(c)(5)).

1           ~~(O) Sections 102(38), 203(b)(13), 213,~~  
 2           ~~306(a)(6)(C), and 503(b)(2) of the Older Amer-~~  
 3           ~~icans Act of 1965 (42 U.S.C. 3002(38),~~  
 4           ~~3013(b)(13), 3020d, 3026(a)(6)(C), and~~  
 5           ~~3056a(b)(2)).~~

6           ~~(P) Sections 103(a)(6), 105(b)(2)(A),~~  
 7           ~~211(e)(1), and 421(6) of the Domestic Volun-~~  
 8           ~~teer Service Act of 1973 (42 U.S.C. 4953(a)(6),~~  
 9           ~~4955(b)(2)(A), 5011(e)(1), and 5061(6)).~~

10           ~~(Q) Sections 2603(8) and~~  
 11           ~~2607B(e)(2)(B)(i) of the Low-Income Home~~  
 12           ~~Energy Assistance Act of 1981 (42 U.S.C.~~  
 13           ~~8622(8) and 8626b(e)(2)(B)(i)).~~

14           ~~(R) Sections 407(b)(2) and 408(a)(1)(C)~~  
 15           ~~of the Human Services Reauthorization of 1986~~  
 16           ~~(42 U.S.C. 9812a(b)(2) and 9925(a)(1)(C)).~~

17           ~~(S) Section 630(a) of the Community Eco-~~  
 18           ~~nomie Development Act of 1981 (42 U.S.C.~~  
 19           ~~9819(a)).~~

20           ~~(T) Sections 158(b) and 178(i)(1) of the~~  
 21           ~~National and Community Service Act of 1990~~  
 22           ~~(42 U.S.C. 12618(b) and 12638(i)(1)).~~

23           ~~(U) The 5th unnumbered paragraph (relat-~~  
 24           ~~ing to poverty line) of section 30401 of the~~  
 25           ~~Community Schools Youth Services and Super-~~

1 vision Grant Program Act of 1994 (42 U.S.C.  
2 13791).

3 **TITLE II—LOW-INCOME HOME**  
4 **ENERGY ASSISTANCE**

5 **SEC. 201. SHORT TITLE.**

6 This title may be cited as the “Low-Income Home  
7 Energy Assistance Amendments of 2003”.

8 **SEC. 202. REAUTHORIZATION.**

9 (a) ~~IN GENERAL.~~—Section 2602(b) of the Low-In-  
10 come Home Energy Assistance Act of 1981 (42 U.S.C.  
11 8621(b)) is amended in the first sentence by striking  
12 “such sums” and all that follows through the period and  
13 inserting “and \$3,400,000,000 for each of fiscal years  
14 2004 through 2006, and such sums as may be necessary  
15 for each fiscal year thereafter.”.

16 (b) ~~PROGRAM YEAR.~~—Section 2602(c) of the Low-  
17 Income Home Energy Assistance Act of 1981 (42 U.S.C.  
18 8621(c)) is amended by inserting “authorized” after “pro-  
19 grams and activities”.

20 (c) ~~INCENTIVE PROGRAM FOR LEVERAGING NON-~~  
21 ~~FEDERAL RESOURCES.~~—Section 2602(d) of the Low-In-  
22 come Home Energy Assistance Act of 1981 (42 U.S.C.  
23 8621(d)) is amended—

1           (1) in paragraph (1), by striking “1994  
2           through 2004” and inserting “2004 through 2010”;  
3           and

4           (2) in paragraph (2), “1994 through 2004” and  
5           inserting “2004 through 2010”.

6 **SEC. 203. NATURAL DISASTERS AND OTHER EMERGENCIES.**

7           Section 2604(e) of the Low-Income Home Energy  
8 Assistance Act of 1981 (42 U.S.C. 8623(e)) is amended  
9 by adding at the end the following flush sentences:  
10 “Notwithstanding any other provision of this section, for  
11 purposes of making determinations under section  
12 2603(1)(C), if the Secretary determines that there is an  
13 increase of at least 20 percent in the cost of home energy  
14 over the previous 5-year average for a duration of a month  
15 or more in one or more States or regions, the Secretary  
16 shall declare an energy emergency in the affected area and  
17 shall make available funds as provided in this subsection.  
18 Notwithstanding any other provision of this section, for  
19 purposes of making such determinations, if the Secretary  
20 determines that the number of heating degree days or  
21 cooling days for a month was more than 100 above the  
22 30-year average in one or more States or regions, the Sec-  
23 retary shall declare an energy emergency in the affected  
24 area and shall make available funds as provided in this  
25 subsection.”.

1 **SEC. 204. RESIDENTIAL ENERGY ASSISTANCE CHALLENGE**

2 **OPTION.**

3 (a) **EVALUATION.**—The Comptroller General of the  
4 United States shall conduct an evaluation of the Residen-  
5 tial Energy Assistance Challenge program described in  
6 section 2607B of the Low-Income Home Energy Assist-  
7 ance Act of 1981 (42 U.S.C. 8626b).

8 (b) **REPORT.**—Not later than 2 years after the date  
9 of enactment of this Act, the Comptroller General of the  
10 United States shall prepare and submit to the Committee  
11 on Education and the Workforce of the House of Rep-  
12 resentatives and the Committee on Health, Education,  
13 Labor, and Pensions of the Senate a report containing—

14 (1) the findings resulting from the evaluation  
15 described in subsection (a); and

16 (2) the State evaluations described in para-  
17 graphs (1) and (2) of section 2607B(b) of the Low-  
18 Income Home Energy Assistance Act of 1981 (42  
19 U.S.C. 8626b(b)).

20 **SEC. 205. REPORT TO CONGRESS.**

21 (a) **STUDY.**—

22 (1) **IN GENERAL.**—The Secretary of Health and  
23 Human Services shall conduct a study on the Low-  
24 Income Home Energy Assistance Act of 1981 (42  
25 U.S.C. 8621 et seq.)

1           (2) REQUIREMENTS.—In conducting the study  
2           under subparagraph (A), the Secretary of Health  
3           and Human Services shall—

4                   (A) evaluate the performance of the Low-  
5           Income Home Energy Assistance Program, in-  
6           cluding who the program is serving; the benefits  
7           of the program to recipients; and the ability of  
8           the program to reduce utility arrearage and  
9           shut-offs among low-income households;

10                   (B) develop a protocol for States to collect  
11           information from energy distribution compa-  
12           nies, including electric, natural gas, heating oil,  
13           and propane companies, concerning the fol-  
14           lowing residential customer statistics—

15                           (i) the number of accounts certified as  
16                           eligible for energy assistance;

17                           (ii) the number of accounts certified  
18                           as eligible for energy assistance and that  
19                           are past due;

20                           (iii) the total revenue owed on ac-  
21                           counts eligible for energy assistance and  
22                           that are past due;

23                           (iv) the number of disconnection no-  
24                           tices issued on accounts eligible for energy  
25                           assistance;

1                   (v) the number of disconnections for  
2                   nonpayment;

3                   (vi) the number of reconnections;

4                   (vii) the number of accounts eligible  
5                   for energy assistance and determined  
6                   uncollectible; and

7                   (viii) the energy burden of accounts  
8                   eligible for energy assistance;

9                   (C) analyze the public health and safety  
10                  threats of hypothermia and hyperthermia due  
11                  to a lack of home heating or home cooling, in-  
12                  cluding mortality, morbidity, and decrease in  
13                  calorie intake;

14                  (D) analyze the affect of the standard of  
15                  housing and housing age on energy costs to  
16                  low-income households;

17                  (E) evaluate regional difference in cost-of-  
18                  living and the ability of low-income families to  
19                  meet home energy requirements; and

20                  (F) determine the programmatic impacts  
21                  of using 60 percent of State median income to  
22                  determine low-income households.

23           (b) REPORT.—Not later than 24 months after the  
24           date of enactment of this Act, the Secretary of Health and  
25           Human Services shall submit to Congress a report con-



1 taining the results of the study conducted under sub-  
 2 section (a).

3 (c) DEFINITION.—In this section, the term “State”  
 4 means each of the 50 States and the District of Columbia.

5 (d) AUTHORIZATION OF APPROPRIATIONS.—There  
 6 are authorized to be appropriated to carry out this sub-  
 7 section such sums as may be necessary for each of fiscal  
 8 year 2004 and 2005.

9 (e) CONTRACTS.—Using amounts appropriated under  
 10 subsection (d), the Secretary of Health and Human Serv-  
 11 ices may enter into contracts or jointly financed coopera-  
 12 tive agreements or interagency agreements with States  
 13 and public agencies and private nonprofit organizations to  
 14 conduct the study under subsection (a).

## 15 **TITLE III—ASSETS FOR** 16 **INDEPENDENCE ACT**

### 17 **SEC. 301. SHORT TITLE.**

18 This title may be cited as the “Assets for Independ-  
 19 ence Reauthorization Act”.

### 20 **SEC. 302. REAUTHORIZATION OF THE ASSETS FOR INDE-** 21 **PENDENCE ACT.**

22 (a) DEFINITION OF QUALIFIED EXPENSES.—Section  
 23 404(8) of the Assets for Independence Act (42 U.S.C. 604  
 24 note) is amended—

25 (1) in subparagraph (A)—

(A) in the matter preceding clause (i), by inserting “or to a vendor following approval by a qualified entity upon submission of an approved qualified education purchase plan” before the period; and

(B) by adding at the end the following:

“(iii) QUALIFIED EDUCATION PURCHASE PLAN.—The term ‘qualified education purchase plan’ means a document that explains the education item to be purchased which—

“(I) is approved by a qualified entity; and

“(II) includes a description of the good to be purchased.”;

(2) in subparagraph (D), by striking “eligible”; and

(3) by adding at the end the following:

“(E) SAVING IN HDAS FOR DEPENDENTS.—Amounts paid to an individual development account established for the benefit of a dependent (as such terms is defined for purposes of subparagraph (D)(ii)) of an eligible individual for the purpose of post-secondary education.”.

1       (b) ~~REPEAL OF PROVISION.~~—Section 405 of the As-  
 2       sets for Independence Act (42 U.S.C. 604 note) is amend-  
 3       ed by striking subsection (g).

4       (c) ~~RESERVE FUND.~~—Section 407 of the Assets for  
 5       Independence Act (42 U.S.C. 604 note) is amended—

6               (1) in subsection (b)—

7                       (A) in paragraph (1)—

8                               (i) by redesignating subparagraphs  
 9                       (A) and (B) as subparagraphs (B) and  
 10                       (C), respectively; and

11                       (ii) by inserting before subparagraph  
 12                       (B) (as so redesignated) the following:

13                       “(A) all grant funds provided to the quali-  
 14                       fied entity from the Secretary for the purpose  
 15                       of the demonstration project as described under  
 16                       subsection (c)(1);” and

17                       (B) by adding at the end the following:

18                       “(3) ~~RULE OF CONSTRUCTION.~~—Nothing in  
 19                       paragraph (1)(A) shall be construed to preclude a  
 20                       qualified entity from depositing other demonstration  
 21                       project funds into the Reserve Fund.”; and

22                       (2) in subsection (d), by inserting “the date  
 23                       that is 12 months after” after “upon the”.

1       (d) ~~USE OF AMOUNTS.~~—Section 407(c) of the Assets  
 2 for Independence Act (42 U.S.C. 604 note) is amended  
 3 by adding at the end the following:

4           “(4) ~~USE OF NONFEDERAL FUNDS.~~—

5               “(A) ~~IN GENERAL.~~—Notwithstanding para-  
 6 graph (3), not more than 20 percent of the  
 7 amount of non-Federal funds committed to a  
 8 project as matching contributions in accordance  
 9 with the application submitted by the qualified  
 10 entity under section 405(c)(4) shall be used by  
 11 the qualified entity for the purposes described  
 12 in subparagraphs (A), (C), and (D) of para-  
 13 graph (1).

14           “(B) ~~PRIORITY.~~—In awarding grants  
 15 under section 406(b), the Secretary shall give  
 16 priority to qualified entities that submit appli-  
 17 cations that, with respect to the commitment of  
 18 non-Federal funds under section 5(c)(4), pro-  
 19 vide assurances that are not to exceed 15 per-  
 20 cent of such non-Federal funds will be used by  
 21 the qualified entity for the purposes described  
 22 in subparagraphs (A), (C), and (D) of para-  
 23 graph (1).”.

1       (e) ~~ELIGIBILITY FOR PARTICIPATION.~~—Section  
 2 408(a)(1) of the Assets for Independence Act (42 U.S.C.  
 3 604 note) is amended to read as follows:

4           “(1) ~~INCOME TEST.~~—The—

5               “(A) gross income of the household is—

6                   “(i) equal to or less than 200 percent  
 7 of the poverty line (as determined by the  
 8 Office of Management and Budget);

9                   “(ii) the earned income amount de-  
 10 scribed in section 32 of the Internal Rev-  
 11 enue Code of 1986 (taking into account  
 12 the size of the household); or

13                  “(iii) equal to or less than 80 percent  
 14 of the Area Median Income (as determined  
 15 by the Department of Housing and Urban  
 16 Development); or

17               “(B) the modified adjusted gross income of  
 18 the household for the previous year does not ex-  
 19 ceed \$18,000 for an individual filer, \$30,000  
 20 for a head of household, or \$38,000 for a joint  
 21 filer.”.

22       (f) ~~DEPOSITS BY QUALIFIED ENTITIES.~~—Section  
 23 410 of the Assets for Independence Act (42 U.S.C. 604  
 24 note) is amended—

1           ~~(1)~~ in subsection (a), by striking “qualified en-  
 2           tity—” and all that follows through the end and in-  
 3           serting the following: “qualified entity, a matching  
 4           contribution of not less than \$0.50 and not more  
 5           than \$4 for every \$1 of earned income (as defined  
 6           in section 911(d)(2) of Internal Revenue Code of  
 7           1986) deposited in the account and interest earned  
 8           on that account by a project participant during that  
 9           period. Matching contributions shall be made—

10           ~~“(1)~~ from the non-Federal funds described in  
 11           section 405(e)(4); and

12           ~~“(2)~~ from the grant made under section 406(b);  
 13           “based on a ratio relating to the sources of funds de-  
 14           scribed in paragraph (1) and (2) as determined by the  
 15           qualified entity.”;

16           ~~(2)~~ by redesignating subsections (b) through (e)  
 17           as subsections (e) through (f), respectively; and

18           ~~(3)~~ by inserting after subsection (a), the fol-  
 19           lowing:

20           ~~“(b)~~ USE OF EXCESS INTEREST ON MATCHING  
 21           FUNDS EARNED ON THE RESERVE FUND.—Interest that  
 22           accrues on the matching funds earned and held in the Re-  
 23           serve Fund, over and above the interest required to match  
 24           an individuals deposits and interest earned in the indi-  
 25           vidual development account, shall be used by the qualified

1 entity to fund existing individual development accounts or  
 2 additional individual development accounts.”.

3 (g) AUTHORIZATION OF APPROPRIATIONS.—Section  
 4 416 of the Assets for Independence Act (42 U.S.C. 604  
 5 note) is amended by striking “and 2003” and inserting  
 6 “and 2003, \$25,000,000 for fiscal year 2004, and such  
 7 sums as may be necessary for each of fiscal years 2005  
 8 through 2008,”.

9 (h) APPLICATION OF AMENDMENTS.—In admin-  
 10 istering the Assets for Independence Act (42 U.S.C. 604  
 11 note), the Secretary of Health and Human Services may  
 12 apply the amendments made by this section to individual  
 13 account holders and entities that received grants under  
 14 such Act either before or after the date of enactment of  
 15 this Act.

16 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

17 (a) *SHORT TITLE.*—This Act may be cited as the  
 18 “Poverty Reduction and Prevention Act”.

19 (b) *TABLE OF CONTENTS.*—The table of contents of this  
 20 Act is as follows:

*Sec. 1. Short title; table of contents.*

**TITLE I—COMMUNITY SERVICES BLOCK GRANT ACT**

*Sec. 101. Purposes.*

*Sec. 102. Definitions.*

*Sec. 103. Authorization of appropriations.*

*Sec. 104. Establishment of program.*

*Sec. 105. Use of funds.*

*Sec. 106. Application and plan.*

*Sec. 107. Designation of eligible entities in underserved areas.*

*Sec. 108. Tripartite boards.*

*Sec. 109. Training, technical assistance, and other activities.*

*Sec. 110. Monitoring.*

*Sec. 111. Corrective action; termination and reduction of funding.*

*Sec. 112. Fiscal controls, audits, and withholding.*

*Sec. 113. Accountability and reporting requirement.*

*Sec. 114. Limitations on use of funds.*

*Sec. 115. Operational rule.*

*Sec. 116. Discretionary authority of the Secretary.*

*Sec. 117. Community food and nutrition programs.*

*Sec. 118. National or regional programs designed to provide instructional activities for low-income youth.*

## **TITLE II—LOW-INCOME HOME ENERGY ASSISTANCE**

*Sec. 201. Short title.*

*Sec. 202. Reauthorization.*

*Sec. 203. Natural disasters and other emergencies.*

*Sec. 204. Residential Energy Assistance Challenge option.*

*Sec. 205. Report to Congress.*

## **TITLE III—ASSETS FOR INDEPENDENCE ACT**

*Sec. 301. Short title.*

*Sec. 302. Reauthorization of the Assets for Independence Act.*

# **1 TITLE I—COMMUNITY SERVICES 2 BLOCK GRANT ACT**

## **3 SEC. 101. PURPOSES.**

4       *Section 672 of the Community Services Block Grant*  
5 *Act (42 U.S.C. 9901) is amended to read as follows:*

## **6 “SEC. 672. PURPOSES.**

7       *“The purpose of this subtitle is to reduce poverty—*

8               *“(1) by strengthening and coordinating local ef-*

9       *forts to expand opportunities for individuals and*

10       *families to become economically self-sufficient and to*

11       *improve and revitalize the communities in which low-*

12       *income Americans live, by providing resources to*

13       *States for support of local eligible entities and their*

14       *partners to—*



1           “(A) plan, coordinate, and mobilize a broad  
2           range of Federal, State, local, and private assist-  
3           ance or investment in such a manner as to use  
4           these resources effectively to reduce poverty and  
5           in initiatives that are responsive to specific local  
6           needs and conditions;

7           “(B) organize multiple services that meet  
8           the needs of low-income families and individuals,  
9           especially low-wage workers and their families,  
10          and that assist them in developing the assets and  
11          skills needed to become self sustaining while en-  
12          suring that these services are provided efficiently,  
13          in appropriate combinations, and in effective se-  
14          quence; and

15          “(C) design and implement comprehensive  
16          approaches to assist individuals transitioning  
17          from the program of block grants to States for  
18          temporary assistance for needy families under  
19          part A of title IV of the Social Security Act (42  
20          U.S.C. 601 et seq.) to work;

21          “(2) by improving and revitalizing the commu-  
22          nities in which low-income Americans live by pro-  
23          viding resources to—

24                 “(A) broaden the financial resource base of  
25                 initiatives and projects directed to the elimi-

1        *nation of poverty and the re-development of the*  
 2        *low-income community, including partnerships*  
 3        *with non-governmental and governmental insti-*  
 4        *tutions to develop the community assets and*  
 5        *services that reduce poverty, such as—*

6                *“(i) other private, charitable, neighbor-*  
 7                *hood-based, and religious organizations;*

8                *“(ii) individual citizens, and busi-*  
 9                *nesses, labor, and professional groups, who*  
 10               *are able to influence the quantity and qual-*  
 11               *ity of opportunities and services for the*  
 12               *poor; and*

13               *“(iii) local government leadership; and*

14               *“(B) coordinate or create community-wide*  
 15               *assets and services that will have a significant,*  
 16               *measurable impact on the causes of poverty in*  
 17               *the community and that will help families and*  
 18               *individuals to achieve economic self-sufficiency,*  
 19               *and test innovative, community-based ap-*  
 20               *proaches to attacking the causes and effects of*  
 21               *poverty and of community breakdown, includ-*  
 22               *ing—*

23               *“(i) innovative initiatives to prevent*  
 24               *and reverse loss of investment, jobs, public*

1                    *services, and infrastructure in low- and*  
 2                    *moderate-income communities; and*

3                    *“(ii) innovative partnerships to de-*  
 4                    *velop the assets and services that reduce*  
 5                    *poverty, as provided for in subparagraph*  
 6                    *(A); and*

7                    *“(3) by ensuring maximum participation of resi-*  
 8                    *dents of low-income communities and of members of*  
 9                    *the groups served by programs under this subtitle in*  
 10                   *guiding the eligible entities and in their programs*  
 11                   *funded under this subtitle to ameliorate the particular*  
 12                   *problems and needs of low-income residents of their*  
 13                   *communities and to develop the permanent social and*  
 14                   *economic assets of the low-income community in order*  
 15                   *to reduce the incidence of poverty.”.*

16 **SEC. 102. DEFINITIONS.**

17                   *Section 673 of the Community Services Block Grant*  
 18 *Act (42 U.S.C. 9902) is amended—*

19                   *(1) in paragraph (1)(A)(ii), by striking “or*  
 20                   *other mechanism”; and*

21                   *(2) in paragraph (2)—*

22                   *(A) in the first sentence—*

23                   *(i) by striking “Office of Management*  
 24                   *and Budget” and inserting “Department of*  
 25                   *Health and Human Services”; and*

1                   (ii) by inserting before the period the  
 2                   following: “and increased, as the Secretary  
 3                   determines appropriate, to take into ac-  
 4                   count higher costs-of-living for a State”;  
 5                   and

6                   (B) by striking the last sentence and insert-  
 7                   ing the following: “Whenever a State determines  
 8                   that it has served the objectives of the block grant  
 9                   program established under this subtitle, the State  
 10                  may revise the poverty line, while placing a pri-  
 11                  ority in serving those who are most in need, so  
 12                  that 125 percent of the official poverty line is the  
 13                  minimum level that a State shall be permitted to  
 14                  set as its maximum eligibility requirement and  
 15                  60 percent of the State’s median income is the  
 16                  maximum level that a State shall be permitted  
 17                  to set as its maximum eligibility requirement.  
 18                  The State may revise the poverty line only upon  
 19                  a determination that eligible entities are pro-  
 20                  viding, coordinating, or partnering with means-  
 21                  tested support services for low and moderate-in-  
 22                  come individuals and families above the official  
 23                  poverty line. Nothing in this paragraph shall be  
 24                  construed to prevent eligible entities from con-  
 25                  tinuing to support individuals and families dur-

1           *ing their transition from program eligibility to*  
 2           *achieve specific goals for their economic security*  
 3           *and long-term self-sufficiency as long as priority*  
 4           *is given to serving the lowest income individuals*  
 5           *who seek services.”.*

6   **SEC. 103. AUTHORIZATION OF APPROPRIATIONS.**

7           *Section 674 of the Community Services Block Grant*  
 8   *Act (42 U.S.C. 9903) is amended—*

9           *(1) in subsection (a), by striking “1999 through*  
 10          *2003” and inserting “2004 through 2009”; and*

11          *(2) in subsection (b)(2)—*

12                  *(A) in subparagraph (A), by striking “or*  
 13                  *associations” and inserting “and associations”;*  
 14                  *and*

15                  *(B) in subparagraph (B)—*

16                          *(i) by striking “ $\frac{1}{2}$  of the remainder”*  
 17                          *and inserting “not less than  $\frac{1}{2}$  of the re-*  
 18                          *mainder”; and*

19                          *(ii) by striking “evaluation and” and*  
 20                          *inserting “evaluation and training and*  
 21                          *technical assistance activities and”.*

22   **SEC. 104. ESTABLISHMENT OF PROGRAM.**

23           *Section 675 of the Community Services Block Grant*  
 24   *Act (42 U.S.C. 9904) is amended by striking “through the*  
 25   *program” and all that follows through the period and in-*

1 *serting “to States for the purpose of ameliorating the causes*  
 2 *of poverty and the conditions caused by poverty in their*  
 3 *communities.”.*

4 **SEC. 105. USE OF FUNDS.**

5 *Section 675C(b) of the Community Services Block*  
 6 *Grant Act (42 U.S.C. 9907(b)) is amended—*

7 *(1) in paragraph (1)—*

8 *(A) in subparagraph (A), by striking “enti-*  
 9 *ties in need of such training and assistance” and*  
 10 *inserting “eligible entities and their statewide*  
 11 *associations that strengthens their managerial or*  
 12 *programmatic capabilities to reduce poverty”;*  
 13 *and*

14 *(B) by striking subparagraphs (B) through*  
 15 *(H) and inserting the following:*

16 *“(B) supporting statewide coordination and*  
 17 *communication among eligible entities and*  
 18 *State-operated or supported programs and serv-*  
 19 *ices, and other locally-operated programs and*  
 20 *services targeted to low-income individuals and*  
 21 *their children and families, so as to ensure that*  
 22 *local eligible entities’ services are integrated in a*  
 23 *manner that allows such low-income individual*  
 24 *and their families to have access to as many*  
 25 *sources of assistance as are appropriate to sup-*

1        *port their progress to economic stability and self-*  
2        *sufficiency;*

3                *“(C) supporting innovative partnerships,*  
4        *programs, and activities conducted by commu-*  
5        *nity action agencies and their partners includ-*  
6        *ing other community-based organizations to*  
7        *eliminate poverty, promote self-sufficiency, and*  
8        *promote community revitalization, including*  
9        *asset-building programs for low-income individ-*  
10       *uals, such as programs supporting individual*  
11       *development accounts, and home or business*  
12       *ownership;*

13               *“(D) analyzing the distribution of funds*  
14       *made available under this subtitle within the*  
15       *State to determine if such funds have been tar-*  
16       *geted to the areas of greatest need;*

17               *“(E) supporting State charity tax credits as*  
18       *described in subsection (c);*

19               *“(F) supporting the identification of exem-*  
20       *plary eligible entities or programs as Centers of*  
21       *Innovation and methodology for disseminating*  
22       *innovative programs and other best practices*  
23       *from those agencies statewide;*

24               *“(G) supporting the development of eligible*  
25       *entities’ partnerships with local law enforcement*

1           agencies, local housing authorities, private foun-  
 2           dations, and other public and private partners;  
 3           and

4           “(H) supporting other activities, consistent  
 5           with the purposes of this subtitle.”; and

6           (2) in paragraph (2), by adding at the end the  
 7           following: “The State shall also ensure that all funds  
 8           distributed under subsection (a) are not used for ex-  
 9           cessive administrative expenses and that all funds  
 10          distributed under such subsection used for salaries by  
 11          a local entity are fair and equitable. The State has  
 12          the authority to determine the appropriate level of  
 13          funds distributed under subsection (a) that an eligible  
 14          entity shall use for administrative expenses.”.

15 **SEC. 106. APPLICATION AND PLAN.**

16          Section 676 of the Community Services Block Grant  
 17          Act (42 U.S.C. 9908) is amended—

18           (1) in subsection (b)—

19           (A) in the matter preceding paragraph (1),  
 20           by inserting “for the Secretary’s approval” after  
 21           “to the Secretary”;

22           (B) by striking paragraphs (1) through (6)  
 23           and inserting the following:

24           “(1) an assurance that funds made available  
 25           through the grant or allotment will be used—



1           “(A) to support activities directly and  
2           through eligible entities that are designed to ex-  
3           pand opportunities for and assist low-income in-  
4           dividuals and their families (including low-in-  
5           come workers) to become self-sufficient, including  
6           low-income workers, families, and individuals  
7           receiving assistance under part A of title IV of  
8           the Social Security Act (42 U.S.C. 601 et seq.),  
9           homeless families and individuals, migrant or  
10          seasonal farmworkers, and elderly low-income  
11          individuals and families, and a description of  
12          how such activities will enable the families and  
13          individuals—

14               “(i) to remove obstacles and solve prob-  
15               lems that block the achievement of self-suffi-  
16               ciency by organizing and coordinating sup-  
17               port for those served under paragraph (3);

18               “(ii) to secure and retain employment  
19               that provides adequate income with essen-  
20               tial benefits;

21               “(iii) to attain an adequate education,  
22               with particular attention toward improving  
23               literacy and communications and technical  
24               skills of the low-income families in the com-  
25               munities involved;

1                   “(iv) to make better use of available in-  
2                   come and build household assets;

3                   “(v) to obtain and maintain adequate  
4                   housing and a suitable living environment;

5                   “(vi) to obtain assistance that is need-  
6                   ed to resolve family emergencies and indi-  
7                   vidual needs, to prevent further hardships,  
8                   and to secure economic independence; and

9                   “(vii) to participate fully in the public  
10                  affairs and management of their commu-  
11                  nities and the governance of eligible entities;  
12                  and

13               “(B) to make more effective use of, and to  
14               coordinate with, other programs related to the  
15               purposes of this subtitle (including State welfare  
16               reform efforts);

17               “(2) a description of how the State intends to  
18               use discretionary funds made available from the re-  
19               mainder of the grant or allotment described in section  
20               675C(b) in accordance with this subtitle, including a  
21               description of how the State will support innovative  
22               community-based initiatives of eligible entities and  
23               their partners related to the purposes of this subtitle;

24               “(3) an assurance that the State has integrated  
25               programs of general relevance in its plan, to the ex-

1        *tent appropriate to the needs of low-income commu-*  
2        *nities served by the eligible entities, including a de-*  
3        *scription of innovative community and neighborhood-*  
4        *based initiatives such as—*

5                *“(A) initiatives with the goal of strength-*  
6                *ening families and encouraging effective par-*  
7                *enting, including fatherhood initiatives;*

8                *“(B) initiatives to assist those moving from*  
9                *welfare to work to obtain jobs at decent wages*  
10               *with benefits, including those low-income indi-*  
11               *viduals and their families who are attempting to*  
12               *transition off a State program carried out under*  
13               *part A of title IV of the Social Security Act (42*  
14               *U.S.C. 601 et seq.);*

15               *“(C) programs for the establishment of vio-*  
16               *lence-free zones that would involve youth develop-*  
17               *ment and intervention models that promote*  
18               *youth success (such as models involving youth*  
19               *mediation, youth mentoring, life skills training,*  
20               *job creation, and entrepreneurship programs);*

21               *“(D) family literacy initiatives;*

22               *“(E) initiatives to increase the development*  
23               *of household assets of individuals such as indi-*  
24               *vidual development accounts and homeownership*  
25               *opportunities;*

1           “(F) public and private partnerships to fos-  
2           ter community development, affordable housing,  
3           job creation, and other means of building the as-  
4           sets of low-income communities;

5           “(G) partnerships with local law enforce-  
6           ment agencies, which may include participation  
7           in community policing, and activities to assist  
8           community residents and public safety officials  
9           in the event of emergencies, including threats to  
10          national security;

11          “(H) initiatives to improve economic condi-  
12          tions and mobilize new resources in rural areas  
13          and other at-risk areas to eliminate obstacles to  
14          the self sufficiency of families and individuals in  
15          those communities;

16          “(I) initiatives to help reduce the concentra-  
17          tion of poverty in cities and inner suburbs and  
18          provide economic opportunities for individuals  
19          and families in those areas; and

20          “(J) partnerships with nonprofit or commu-  
21          nity-based organizations that demonstrate effec-  
22          tiveness in child abuse prevention, including  
23          with programs that are school-based and that  
24          focus on adolescent victims, and victimizers;

1           “(4) an assurance that the State will provide in-  
2           formation, including—

3                   “(A) a description of the State measurement  
4                   system and results for the performance goals es-  
5                   tablished under section 678E(a)(1)(C);

6                   “(B) a description of the service delivery  
7                   system, for services provided or coordinated with  
8                   funds made available through grants made under  
9                   section 675C(a), targeted to low-income individ-  
10                  uals and families in communities within the  
11                  State;

12                  “(C) a description of how linkages will be  
13                  developed to fill identified gaps in the services,  
14                  through the provision of information, referrals,  
15                  case management, and followup consultations,  
16                  and to support mobilization of new resources  
17                  and partnerships;

18                  “(D) a description of how funds made  
19                  available through grants made under section  
20                  675C(a) will be coordinated with other public  
21                  and private resources; and

22                  “(E) a description of how the local entity  
23                  will use the funds to support innovative commu-  
24                  nity and neighborhood-based initiatives related  
25                  to the purposes of this subtitle;

1           “(5) an assurance that eligible entities in the  
2           State will provide, on an emergency basis, for the  
3           provision of such supplies and services, nutritious  
4           foods, and related services, as may be necessary to  
5           counteract conditions of starvation and malnutrition  
6           among low-income individuals;

7           “(6) an assurance that the State has, to avoid  
8           duplication of such services, and to ensure that pro-  
9           gram gaps are addressed, identified and coordinated  
10          with eligible entity programs, with State and local  
11          agencies, and with programs that assist low-income  
12          individuals and their families, including—

13               “(A) programs carried out under part A of  
14               title IV of the Social Security Act (42 U.S.C.  
15               601 et seq.), the Workforce Investment Act of  
16               1998 (29 U.S.C. 2801 et seq.), and other pro-  
17               grams designed to coordinate work-related sup-  
18               portive services for families;

19               “(B) programs for expanding housing op-  
20               portunities, reducing homelessness, and devel-  
21               oping community investment projects;

22               “(C) education programs, including those  
23               for preschool and school-aged children and for  
24               adults to obtain an adequate education; and

1           “(D) programs designed to support youth,  
 2           the homeless, migrants, senior citizens, and indi-  
 3           viduals with disabilities, including programs  
 4           under the Low-Income Home Energy Assistance  
 5           Act of 1981 (42 U.S.C. 8621 et seq.);”;

6           (C) in paragraph (12)—

7                 (i) by striking “not later than fiscal  
 8                 year 2001” and inserting “annually”; and

9                 (ii) by striking “and” at the end;

10           (D) in paragraph (13), by striking the pe-  
 11           riod and inserting “in sufficient detail to permit  
 12           verification; and”; and

13           (E) by adding at the end the following:

14                 “(14) beginning with fiscal year 2006, and in  
 15           each fiscal year thereafter, an assurance that the  
 16           State is using the procedures described in section  
 17           678B(b) to monitor eligible entities.”; and

18           (2) by striking subsection (f).

19   **SEC. 107. DESIGNATION OF ELIGIBLE ENTITIES IN UNDER-**  
 20           **SERVED AREAS.**

21           Section 676A(b) of the Community Services Block  
 22   Grant Act (42 U.S.C. 9909(b)) is amended by adding at  
 23   the end the following: “In granting such designation, the  
 24   State shall deem private nonprofit eligible entities that are  
 25   providing related services in the unserved area to be of dem-

1 *onstrated effectiveness, consistent with the needs identified*  
 2 *by a community needs assessment.”.*

3 **SEC. 108. TRIPARTITE BOARDS.**

4 *Section 676B(b) of the Community Services Block*  
 5 *Grant Act (42 U.S.C. 9910(b)) is amended—*

6 *(1) by striking “through—” and all that follows*  
 7 *through “a tripartite” in paragraph (1) and insert-*  
 8 *ing “through a tripartite”;*

9 *(2) by striking paragraph (2);*

10 *(3) in subparagraph (C), by striking “; or” and*  
 11 *inserting a period; and*

12 *(4) by redesignating subparagraphs (A) through*  
 13 *(C) as paragraph (1) through (3), respectively and re-*  
 14 *aligning the margins of such paragraphs accordingly.*

15 **SEC. 109. TRAINING, TECHNICAL ASSISTANCE, AND OTHER**  
 16 **ACTIVITIES.**

17 *Section 678A of the Community Services Block Grant*  
 18 *Act (42 U.S.C. 9913) is amended—*

19 *(1) in subsection (a)(1)—*

20 *(A) in subparagraph (A), by striking “cor-*  
 21 *rective action” and all that follows through “;*  
 22 *and” and inserting “monitoring and such addi-*  
 23 *tional corrective actions as may be needed to*  
 24 *strengthen the management and programmatic*  
 25 *practices of eligible entities;”; and*



1           (B) by striking subparagraph (B) and in-  
2           serting the following:

3           “(B) for State and local performance re-  
4           porting and program data collection activities  
5           related to programs carried out under this sub-  
6           title;

7           “(C) for the preparation of reports provided  
8           for in section 678E;

9           “(D) for the development and promulgation  
10          of a common State Financial and Organiza-  
11          tional Protocol that is required to be used by  
12          States under section 678B(b); and

13          “(E) to distribute amounts in accordance  
14          with subsection (c).”;

15          (2) in subsection (b)(2), by striking “an ongoing  
16          procedure for obtaining input from the national and  
17          State networks of eligible entities” and inserting “a  
18          strategic plan for annual technical assistance devel-  
19          oped in consultation with the national and State net-  
20          works of eligible entities regarding their management  
21          support needs”; and

22          (3) in subsection (c)(1), by striking “manage-  
23          ment information” and all that follows through the  
24          period, and inserting “improving management infor-  
25          mation and reporting systems, measuring of program

1       *results, ensuring responsiveness to identified local*  
 2       *needs, and reporting and disseminating successful*  
 3       *practices and initiatives.”.*

4   **SEC. 110. MONITORING.**

5       *Section 678B of the Community Services Block Grant*  
 6   *Act (42 U.S.C. 9914) is amended—*

7           *(1) in the section heading by striking “**OF ELI-***  
 8       ***GIBLE ENTITIES*”;**

9           *(2) in subsection (a)—*

10           *(A) by striking the subsection heading and*  
 11       *inserting “MONITORING OF ELIGIBLE ENTI-*  
 12       ***TIES*”;**

13           *(B) in paragraph (1)—*

14           *(i) by inserting “biennial” after “on-*  
 15       *site”; and*

16           *(ii) by striking “at least once during*  
 17       *each 3 year period”;*

18           *(C) by striking paragraph (2);*

19           *(D) by redesignating paragraphs (3) and*  
 20       *(4) as paragraphs (2) and (3), respectively; and*

21           *(E) in paragraph (2) (as so redesignated),*  
 22       *by inserting “annual” after “Followup”;*

23           *(3) by redesignating subsections (b) and (c) as*  
 24       *subsection (c) and (d), respectively;*

1           (4) *by inserting after subsection (a) the fol-*  
 2       *lowing:*

3       “(b) *FINANCIAL AND ORGANIZATIONAL ASSESSMENT*  
 4 *PROTOCOL.—Beginning in fiscal year 2006, States shall*  
 5 *implement a financial and organizational assessment pro-*  
 6 *TOCOL to monitor and evaluate the compliance of eligible en-*  
 7 *tities with the financial and administrative requirements*  
 8 *of this section. Such protocol shall incorporate the fiscal and*  
 9 *organizational review procedures and standards appro-*  
 10 *priate to the management of Federal funds under this sub-*  
 11 *title and the governance of the eligible private non-profit*  
 12 *corporations or other eligible entities. The Secretary shall*  
 13 *require the protocol to be developed jointly by the States*  
 14 *and eligible entities and shall assist States in developing*  
 15 *appropriate training for personnel monitoring the uses of*  
 16 *funds under this subtitle according to the requirements of*  
 17 *this section.”; and*

18       (5) *in subsection (d), as so redesignated, by*  
 19 *striking the last sentence and inserting the following:*  
 20       *“The Secretary shall annually submit a report in-*  
 21 *cluding the results of the evaluations conducted under*  
 22 *this subtitle, the State performance reports provided*  
 23 *for pursuant to section 678E(a)(1)(C), and other ma-*  
 24 *terial as provided by section 678E(b)(2) to the Com-*  
 25 *mittee on Education and the Workforce of the House*

1       *of Representatives and the Committee on Health,*  
 2       *Education, Labor, and Pensions of the Senate.”.*

3   **SEC. 111. CORRECTIVE ACTION; TERMINATION AND REDUC-**  
 4       **TION OF FUNDING.**

5       *Section 678C of the Community Services Block Grant*  
 6   *Act (42 U.S.C. 9915) is amended—*

7           *(1) in subsection (a)—*

8               *(A) in paragraph (4), by striking “and” at*  
 9       *the end; and*

10           *(B) by striking paragraph (5) and inserting*  
 11       *the following:*

12           *“(5) if the eligible entity fails to correct the defi-*  
 13       *ciency, notify the entity—*

14               *“(A) that the State intends to initiate pro-*  
 15       *ceedings to terminate the designation of the enti-*  
 16       *ty as an eligible entity or to reduce, from the*  
 17       *previous year, the proportion of the total funding*  
 18       *received by the State under this subtitle that is*  
 19       *allocated to the eligible entity;*

20               *“(B) that the eligible entity has the right to*  
 21       *a hearing on the record to determine if there is*  
 22       *cause for such termination or reduction in fund-*  
 23       *ing, as defined in section 676(c), and that the re-*  
 24       *quest for a hearing must be made in writing to*

1        *the State within 30 days of receipt of the notice*  
 2        *from the State; and*

3                *“(C) of the legal basis for the proposed ter-*  
 4        *mination or reduction in funding, the factual*  
 5        *findings on which the proposed termination or*  
 6        *reduction in funding is based or a reference to*  
 7        *specific findings in another document that form*  
 8        *the basis for the proposed termination or reduc-*  
 9        *tion in funding (such as a reference to item*  
 10       *numbers in an on-site review report or instru-*  
 11       *ment), and citation to any statutory provisions,*  
 12       *agreements, regulations, or State plan; and*

13                *“(6) if the eligible entity requests a hearing, con-*  
 14       *duct a hearing on the record to determine if there is*  
 15       *cause for termination or a reduction in funding, as*  
 16       *defined in section 676(c).”;*

17                *(2) in subsection (b)—*

18                        *(A) by striking “review such a determina-*  
 19       *tion” and inserting “review and either approve,*  
 20       *or disapprove and reverse, such a determina-*  
 21       *tion”;*

22                        *(B) by striking “90 days” each place that*  
 23       *it appears and inserting “30 days”; and*

24                        *(C) by striking “90th day” and inserting*  
 25       *“30th day”; and*

1           (3) in subsection (c), by adding at the end the  
 2           following: “The Secretary shall continue to fund an  
 3           eligible entity, in an amount equal to the same pro-  
 4           portion of total funds received by the State under this  
 5           subtitle as was allocated to the eligible entity the pre-  
 6           vious year, until the Secretary approves, or dis-  
 7           approves and reverses, the determination of termi-  
 8           nation or reduction in funding with respect to the  
 9           State.”.

10 **SEC. 112. FISCAL CONTROLS, AUDITS, AND WITHHOLDING.**

11           Section 678D of the Community Services Block Grant  
 12 Act (42 U.S.C. 9916) is amended—

13           (1) in subsection (a)(1)—

14                   (A) in subparagraph (C), by striking “and”  
 15                   at the end;

16                   (B) by redesignating subparagraph (D) as  
 17                   subparagraph (F); and

18                   (C) by inserting after subparagraph (C), the  
 19                   following:

20                           “(D) notwithstanding paragraph (2)(B), be-  
 21                           ginning in fiscal year 2004, and not less than  
 22                           every 4 years thereafter, each State shall submit  
 23                           to the Secretary a separate audit of the funds  
 24                           appropriated under this subtitle that—

25                                   “(i) shall apply only to—

1                   “(I) State disbursement of funds  
2                   to eligible entities;

3                   “(II) use of funds for State ad-  
4                   ministrative expenses; and

5                   “(III) State disbursement of as-  
6                   sistance provided under section 680;  
7                   and

8                   “(ii) shall be funded—

9                   “(I) first, through the funds avail-  
10                  able for administrative expenses under  
11                  section 675C(b)(2); and

12                  “(II) second, from any funds re-  
13                  ceived by the State through assistance  
14                  provided under section 680; and

15                  “(E) submit full financial reports to the  
16                  Secretary not later than 6 months following the  
17                  end of each fiscal year; and”;

18                  (2) in subsection (b)(1), by adding at the end the  
19                  following: “The Secretary, after providing adequate  
20                  notice, shall withhold administrative funds described  
21                  in section 675C(b)(2) from any State that fails to  
22                  comply with the provisions of sections 678A through  
23                  678D(a), and may, after an opportunity for a hear-  
24                  ing conducted within the affected State, withhold  
25                  funds from the State and provide such funds directly

1        *to the eligible entities in such State upon a dem-*  
 2        *onstration of the compliance by such entities with the*  
 3        *requirements of this subtitle.”*

4    **SEC. 113. ACCOUNTABILITY AND REPORTING REQUIRE-**  
 5        **MENT.**

6        *Section 678E of the Community Services Block Grant*  
 7    *Act (42 U.S.C. 9917) is amended to read as follows:*

8    **“SEC. 678E. ACCOUNTABILITY AND REPORTING REQUIRE-**  
 9        **MENTS.**

10        *“(a) STATE ACCOUNTABILITY AND REPORTING RE-*  
 11    *QUIREMENTS.—*

12                *“(1) PERFORMANCE MEASUREMENT OF ELIGIBLE*  
 13    *ENTITIES.—*

14                *“(A) IN GENERAL.—Each State that re-*  
 15        *ceives funds under this subtitle shall participate,*  
 16        *and shall ensure that all eligible entities in the*  
 17        *State participate, in a performance measure-*  
 18        *ment system, which may be a performance meas-*  
 19        *urement system for which the Secretary facili-*  
 20        *tated development pursuant to subsection (b), or*  
 21        *an alternative system that the Secretary is satis-*  
 22        *fied meets the requirements of subsection (b).*

23                *“(B) LOCAL AGENCIES.—The State may*  
 24        *elect to have local agencies that are subcontract-*  
 25        *ors of the eligible entities under this subtitle*



1        *participate in the performance measurement sys-*  
 2        *tem. If the State makes that election, references*  
 3        *in this section to eligible entities shall be consid-*  
 4        *ered to include the local agencies.*

5                “(C)    *PERFORMANCE    MEASUREMENT    OF*  
 6        *STATES.—Not later than 1 year after the date of*  
 7        *enactment of the Poverty Reduction and Preven-*  
 8        *tion Act, the Secretary shall establish, in con-*  
 9        *sultation with States and eligible entities, per-*  
 10       *formance standards for the State administration*  
 11       *of block grant funds. Such standards shall in-*  
 12       *clude standards relating to—*

13                “(i) *the timeliness of the availability of*  
 14                *State plans for public comment as required*  
 15                *under section 676(a)(2)(B) and of submis-*  
 16                *sion of such plans to the Secretary as re-*  
 17                *quired in section 676(b);*

18                “(ii) *the utilization of the financial*  
 19                *and organizational assessment protocol es-*  
 20                *tablished under section 678B(b), including*  
 21                *the training and skills of State personnel*  
 22                *responsible for such oversight, the comple-*  
 23                *tion of annual monitoring, the identifica-*  
 24                *tion of opportunities for improvement, and*  
 25                *the implementation of plans to enhance the*

1           *management capacity and infrastructure of*  
2           *eligible entities;*

3           “(iii) *the timeliness of the distribution*  
4           *of block grants funds to eligible entities as*  
5           *provided in section 675C(a);*

6           “(iv) *the resources made available for*  
7           *management development at eligible enti-*  
8           *ties, including monitoring, training, and*  
9           *assistance with financial management and*  
10          *program information and assessment sys-*  
11          *tems;*

12          “(v) *the results of State efforts to co-*  
13          *ordinate eligible entity programs with other*  
14          *State programs for low-income individuals*  
15          *and their families, especially participants*  
16          *in the program of block grants to States for*  
17          *temporary assistance for needy families*  
18          *under part A of title IV of the Social Secu-*  
19          *rity Act (42 U.S.C. 601 et seq.) and other*  
20          *working families, and to ensure the partici-*  
21          *pation of eligible entities in the development*  
22          *of statewide strategies to reduce poverty;*  
23          *and*

1                   “(vi) the assistance provided to eligible  
2                   entities in securing private partnerships as  
3                   required in section 676(b).

4                   “(2) ANNUAL REPORT.—Each State shall annu-  
5                   ally prepare and submit to the Secretary a report on  
6                   the measured performance of the State and the eligible  
7                   entities in the State. The State shall include in the  
8                   report any information collected by the State relating  
9                   to such performance. Each State shall also include in  
10                  the report an accounting of the expenditure of funds  
11                  received by the State through the community services  
12                  block grant program, including an accounting of  
13                  funds spent on administrative costs by the State and  
14                  the eligible entities, funds spent by eligible entities on  
15                  the direct delivery of local services, and the achieve-  
16                  ment of national goals established under the proce-  
17                  dures described in this section, and shall include in-  
18                  formation on the number of and characteristics of cli-  
19                  ents served under this subtitle in the State, based on  
20                  data collected from the eligible entities. The State  
21                  shall also include in the report a summary describing  
22                  the training and technical assistance offered by the  
23                  State under section 678C(a)(3) during the year cov-  
24                  ered by the report.

1       “(b) *LOCAL ENTITY ACCOUNTABILITY AND REPORTING*  
 2   *REQUIREMENTS.*—

3               “(1) *LOCAL ENTITY DETERMINED GOALS.*—*In*  
 4       *order to be designated as an eligible entity and to re-*  
 5       *ceive a grant under this subtitle, an entity shall es-*  
 6       *tablish entity-determined goals for reducing poverty*  
 7       *in the community, including goals for—*

8                       “(A) *leveraging community resources;*

9                       “(B) *fostering coordination of Federal,*  
 10       *State, local, private, and other assistance; and*

11                      “(C) *promoting community involvement.*

12               “(2) *DEMONSTRATION THAT GOALS WERE*  
 13       *MET.*—*In order to receive a grant subsequent to the*  
 14       *first grant that is provided to an eligible entity fol-*  
 15       *lowing the date of enactment of the Poverty Reduction*  
 16       *and Prevention Act, the entity shall demonstrate to*  
 17       *the State that substantial progress has been made in*  
 18       *meeting the goals of the entity as described in para-*  
 19       *graph (1).*

20               “(3) *GOALS OR PERFORMANCE MEASURES.*—*Any*  
 21       *specific goals or performance measures, for an indi-*  
 22       *vidual eligible entity, that are used in any moni-*  
 23       *toring or review process under this subtitle, shall be—*

24                      “(A) *determined by the entity;*

1           “(B) agreed on by the State involved and  
 2           the entity, during the planning process leading  
 3           to the grant involved; and

4           “(C) incorporated into the grant agreement  
 5           between the State and entity for each subsequent  
 6           award cycle.

7           “(4) *PROCEDURES.*—If the State determines that  
 8           a failure to meet goals established under this sub-  
 9           section shall be a basis for terminating the designa-  
 10          tion or reducing the funds of an eligible entity under  
 11          this subtitle, and determines that an eligible entity  
 12          has failed to meet the goals, the procedures set forth  
 13          in section 678C shall apply.

14          “(c) *SECRETARY’S ACCOUNTABILITY AND REPORTING*  
 15          *REQUIREMENTS.*—

16               “(1) *FEDERAL PERFORMANCE MEASUREMENT.*—  
 17               The Secretary shall establish goals for the Department  
 18               of Health and Human Services Office of Community  
 19               Services with respect to—

20                       “(A) the timeliness of the distribution of  
 21                       funds under this subtitle, including funds for  
 22                       training and technical assistance;

23                       “(B) the monitoring of States as provided  
 24                       for in section 678D;

1           “(C) *the coordination of other Office of*  
 2           *Community Service programs with the activities*  
 3           *of States and eligible entities under this subtitle;*  
 4           *and*

5           “(D) *the full and timely reporting as re-*  
 6           *quired in this section.*

7           “(2) *LOCAL PERFORMANCE MEASUREMENT.—*

8           “(A) *IN GENERAL.—To the maximum ex-*  
 9           *tent practicable, the Secretary shall coordinate*  
 10           *reporting requirements for all programs of the*  
 11           *Department of Health and Human Services that*  
 12           *are managed by eligible entities so as to consoli-*  
 13           *date and reduce the number of reports required*  
 14           *relating to individuals, families, and uses of*  
 15           *grant funds, specifically funds under the Head*  
 16           *Start Act (42 U.S.C. 9831 et seq.), the Low-In-*  
 17           *come Home Energy Assistance Act of 1981 (42*  
 18           *U.S.C. 8621 et seq.), child care programs admin-*  
 19           *istered by the Department, and health related*  
 20           *service programs administered by the Depart-*  
 21           *ment.*

22           “(B) *TECHNICAL ASSISTANCE.—The Sec-*  
 23           *retary shall provide technical assistance, includ-*  
 24           *ing support for the enhancement of electronic*  
 25           *data systems, to States and to eligible entities to*

1        *enhance their capability to collect and report*  
2        *data for such a system and to aid in their par-*  
3        *ticipation in such a system.*

4                “(C) *LOCAL ENTITY PERFORMANCE MEAS-*  
5        *UREMENT SYSTEM.—The Secretary shall assist*  
6        *in the implementation of a local entity perform-*  
7        *ance measurement system, and other voluntary*  
8        *programmatic and results reporting systems, de-*  
9        *veloped by States, eligible entities, and their na-*  
10       *tional associations acting together. The Secretary*  
11       *and the developers of such systems shall ensure*  
12       *that the set of measures are numerous enough to*  
13       *cover the full range of services offered by all local*  
14       *eligible entities. Under such a system, local eligi-*  
15       *ble entities shall only be compelled to collect data*  
16       *on the subset of performance measures that re-*  
17       *fect their community-specific programs and*  
18       *services currently adopted. Eligible entities shall*  
19       *not be required under this subparagraph to alter*  
20       *the collection of data for any reports provided for*  
21       *other programs within the Department of Health*  
22       *and Human Services or other Federal agencies.*  
23       *States shall compile annual Results Oriented*  
24       *Management and Accountability System reports*  
25       *for the Secretary under this subparagraph.*

1           “(3) *REPORTING REQUIREMENTS.*—*For each fis-*  
 2           *cal year the Secretary shall, directly or by grant or*  
 3           *contract, prepare a report containing—*

4                   “(A) *a summary of the planned use of funds*  
 5                   *by each State, and the eligible entities in the*  
 6                   *State, under the community services block grant*  
 7                   *program, as contained in each State plan sub-*  
 8                   *mitted pursuant to section 676;*

9                   “(B) *a description of how funds were actu-*  
 10                   *ally spent by the State and eligible entities in*  
 11                   *the State, including a breakdown of funds spent*  
 12                   *on administrative costs and on the direct deliv-*  
 13                   *ery of local programs by eligible entities;*

14                   “(C) *information on the number of entities*  
 15                   *eligible for funds under this subtitle, the number*  
 16                   *of low-income persons served under this subtitle,*  
 17                   *and such demographic data on the low-income*  
 18                   *populations served by eligible entities as is deter-*  
 19                   *mined by the Secretary to be feasible;*

20                   “(D) *a comparison of the planned uses of*  
 21                   *funds for each State and the actual uses of the*  
 22                   *funds;*

23                   “(E) *a summary of each State’s perform-*  
 24                   *ance results, and the results for the eligible enti-*



1           *ties, as collected and submitted by the States in*  
2           *accordance with subsection (a)(2); and*

3           “(F) *any additional information that the*  
4           *Secretary considers to be appropriate to carry*  
5           *out this subtitle, if the Secretary informs the*  
6           *States of the need for such additional informa-*  
7           *tion and allows a reasonable period of time for*  
8           *the States to collect and provide the information.*

9           “(4) *SUBMISSION.—The Secretary shall submit*  
10          *to the Committee on Education and the Workforce of*  
11          *the House of Representatives and the Committee on*  
12          *Health, Education, Labor, and Pensions of the Senate*  
13          *the report described in paragraph (2), and any com-*  
14          *ments the Secretary may have with respect to such re-*  
15          *port. The report shall include definitions of direct and*  
16          *administrative costs used by the Department of*  
17          *Health and Human Services for programs funded*  
18          *under this subtitle.*

19          “(5) *COSTS.—Of the funds reserved under section*  
20          *674(b)(3), not more than \$500,000 shall be available*  
21          *to carry out the reporting requirements contained in*  
22          *paragraph (3).”.*

1 **SEC. 114. LIMITATIONS ON USE OF FUNDS.**

2       Section 678F(c)(1) of the Community Services Block  
3 Grant Act (42 U.S.C. 9918(c)(1)) is amended by inserting  
4 “religion,” after “race,”.

5 **SEC. 115. OPERATIONAL RULE.**

6       Section 679(a) of the Community Services Block Grant  
7 Act (42 U.S.C. 9920(a)) is amended by inserting “and such  
8 organization meets the requirements of this subtitle” before  
9 the first period.

10 **SEC. 116. DISCRETIONARY AUTHORITY OF THE SECRETARY.**

11       Section 680 of the Community Services Block Grant  
12 Act (42 U.S.C. 9921) is amended—

13               (1) in subsection (a)—

14                       (A) in paragraph (2)—

15                               (i) by redesignating subparagraphs (B)  
16                               through (E) as subparagraph (D) through  
17                               (G), respectively;

18                               (ii) by striking subparagraph (A) and  
19                               inserting the following:

20                       “(A) ECONOMIC DEVELOPMENT ACTIVI-  
21                       TIES.—The Secretary shall make grants de-  
22                       scribed in paragraph (1) on a competitive basis  
23                       to private, nonprofit organizations that are com-  
24                       munity development corporations to provide  
25                       technical and financial assistance for economic  
26                       development activities, including business, eco-

1        *nomie, and community development projects, de-*  
 2        *signed to address the economic needs of low-in-*  
 3        *come individuals and families by creating em-*  
 4        *ployment and business development opportuni-*  
 5        *ties. Such assistance shall include—*

6                *“(i) long term loans (up to 15 years)*  
 7                *or investments for private business enter-*  
 8                *prises;*

9                *“(ii) providing capital to businesses*  
 10                *owned by community development corpora-*  
 11                *tions; and*

12                *“(iii) marketing and management as-*  
 13                *sistance for businesses providing jobs and*  
 14                *business opportunities to low-income indi-*  
 15                *viduals.*

16                *“(B) FEDERAL INTEREST.—*

17                *“(i) IN GENERAL.—The Secretary shall*  
 18                *establish procedures that permit an eligible*  
 19                *entity who receives funds under a grant to*  
 20                *carry out this paragraph, or intangible as-*  
 21                *sets acquired with such funds, to become the*  
 22                *sole owner of the funds or assets before the*  
 23                *end of the 12-year period beginning at the*  
 24                *end of the fiscal year for which the grant is*  
 25                *made.*

1           “(ii) *CONDITIONS.—To be eligible to*  
 2           *become the sole owner, the eligible entity*  
 3           *shall agree—*

4                     “(I) *to use the funds or assets for*  
 5                     *the purposes and uses for which the*  
 6                     *grant was made, or purposes and uses*  
 7                     *consistent with this subtitle, during*  
 8                     *and after the 12-year period described*  
 9                     *in clause (i), whether or not the eligible*  
 10                    *entity continues to be supported by*  
 11                    *Federal funds; and*

12                   “(II) *that, when the eligible entity*  
 13                   *no longer needs the funds or assets for*  
 14                   *purposes and uses described in sub-*  
 15                   *clause (I), the eligible entity shall re-*  
 16                   *quest instructions from the Secretary*  
 17                   *about the disposition of the funds or*  
 18                   *assets.*

19           “(iii) *ENCUMBERING.—The eligible en-*  
 20           *tity may not encumber the assets without*  
 21           *the approval of the Secretary.*

22           “(C) *ADMINISTRATIVE REQUIREMENTS.—In*  
 23           *a case in which an eligible project under grant*  
 24           *made under this section cannot, for good cause,*  
 25           *be implemented, the Secretary shall establish a*

1        *policy to permit the substitution of other eligible*  
 2        *projects. Such policy shall require that such*  
 3        *project have the same impact area, the same*  
 4        *goals, and the same objectives as the original*  
 5        *project and outcomes that are substantially the*  
 6        *same as the original project.”;*

7                *(iii) in subparagraph (E) (as so redes-*  
 8                *ignated), by striking “the community” and*  
 9                *inserting “the service area”; and*

10               *(iv) in subparagraph (G) (as so redes-*  
 11               *ignated), by striking “1 percent” and in-*  
 12               *serting “2 percent”;*

13               *(B) in paragraph (3)(B), by striking “com-*  
 14               *munity” and inserting “water and waste water”;*  
 15               *and*

16               *(C) in paragraph (4), by striking “individ-*  
 17               *uals and families” and inserting “individuals*  
 18               *and their families”; and*

19               *(2) in subsection (c), by striking “Labor and*  
 20               *Human Resources” and inserting “Health, Edu-*  
 21               *cation, Labor, and Pensions”.*

22    **SEC. 117. COMMUNITY FOOD AND NUTRITION PROGRAMS.**

23        *Section 681 of the Community Services Block Grant*  
 24    *Act (42 U.S.C. 9922) is amended—*

1           (1) *in subsection (c), by striking “Labor and*  
 2           *Human Resources” and inserting “Health, Edu-*  
 3           *cation, Labor, and Pensions”; and*

4           (2) *in subsection (d), by striking “1999 through*  
 5           *2003” and inserting “2004 through 2009”.*

6   **SEC. 118. NATIONAL OR REGIONAL PROGRAMS DESIGNED**  
 7                   **TO PROVIDE INSTRUCTIONAL ACTIVITIES**  
 8                   **FOR LOW-INCOME YOUTH.**

9           *Section 682 of the Community Services Block Grant*  
 10   *Act (42 U.S.C. 9923) is amended—*

11           (1) *in subsection (b)(2), by striking “or treat-*  
 12           *ment”; and*

13           (2) *in subsection (g), by striking “\$15,000,000*  
 14           *for each of fiscal years 1999 through 2003” and in-*  
 15           *serting “\$18,000,000 for each of fiscal years 2004*  
 16           *through 2009”.*

17   **TITLE II—LOW-INCOME HOME**  
 18                   **ENERGY ASSISTANCE**

19   **SEC. 201. SHORT TITLE.**

20           *This title may be cited as the “Low-Income Home En-*  
 21   *ergy Assistance Amendments of 2003”.*

22   **SEC. 202. REAUTHORIZATION.**

23           (a) *IN GENERAL.*—*Section 2602(b) of the Low-Income*  
 24   *Home Energy Assistance Act of 1981 (42 U.S.C. 8621(b))*  
 25   *is amended in the first sentence by striking “such sums”*

1 *and all that follows through the period and inserting “and*  
 2 *\$3,400,000,000 for each of fiscal years 2004 through 2006,*  
 3 *and such sums as may be necessary for each of fiscal years*  
 4 *2007 through 2010.”.*

5 (b) *PROGRAM YEAR.*—Section 2602(c) of the Low-In-  
 6 come Home Energy Assistance Act of 1981 (42 U.S.C.  
 7 8621(c)) is amended by inserting “authorized” after “pro-  
 8 grams and activities”.

9 (c) *INCENTIVE PROGRAM FOR LEVERAGING NON-FED-*  
 10 *ERAL RESOURCES.*—Section 2602(d) of the Low-Income  
 11 Home Energy Assistance Act of 1981 (42 U.S.C. 8621(d))  
 12 is amended—

13 (1) in paragraph (1), by striking “1999 through  
 14 2004” and inserting “2004 through 2010”; and

15 (2) in paragraph (2), by striking “1999 through  
 16 2004” and inserting “2004 through 2010”.

17 **SEC. 203. NATURAL DISASTERS AND OTHER EMERGENCIES.**

18 Section 2604(e) of the Low-Income Home Energy As-  
 19 sistance Act of 1981 (42 U.S.C. 8623(e)) is amended by  
 20 adding at the end the following:

21 “Notwithstanding any other provision of this section, for  
 22 purposes of making determinations under section  
 23 2603(1)(C), if the Secretary determines that there is an in-  
 24 crease of at least 20 percent in the cost of home energy over  
 25 the previous 5-year average for a duration of a month or

1 *more in 1 or more States or regions, the Secretary shall*  
 2 *declare an energy emergency in the affected area and shall*  
 3 *make available funds as provided in this subsection. Not-*  
 4 *withstanding any other provision of this section, for pur-*  
 5 *poses of making such determinations, if the Secretary deter-*  
 6 *mines that the number of heating degree days or cooling*  
 7 *days for a month was more than 100 above the 30-year*  
 8 *average in 1 or more States or regions, the Secretary shall*  
 9 *declare an energy emergency in the affected area and shall*  
 10 *make available funds as provided in this subsection.”.*

11 **SEC. 204. RESIDENTIAL ENERGY ASSISTANCE CHALLENGE**

12 **OPTION.**

13 (a) *EVALUATION.*—*The Comptroller General of the*  
 14 *United States shall conduct an evaluation of the Residential*  
 15 *Energy Assistance Challenge program described in section*  
 16 *2607B of the Low-Income Home Energy Assistance Act of*  
 17 *1981 (42 U.S.C. 8626b).*

18 (b) *REPORT.*—*Not later than 2 years after the date*  
 19 *of enactment of this Act, the Comptroller General of the*  
 20 *United States shall prepare and submit to the Committee*  
 21 *on Education and the Workforce of the House of Representa-*  
 22 *tives and the Committee on Health, Education, Labor, and*  
 23 *Pensions of the Senate a report containing—*

24 (1) *the findings resulting from the evaluation de-*  
 25 *scribed in subsection (a); and*



1           (2) *the State evaluations described in para-*  
 2           *graphs (1) and (2) of section 2607B(b) of the Low-*  
 3           *Income Home Energy Assistance Act of 1981 (42*  
 4           *U.S.C. 8626b(b)).*

5   **SEC. 205. REPORT TO CONGRESS.**

6           (a) *STUDY.*—

7           (1) *IN GENERAL.*—*The Secretary of Health and*  
 8           *Human Services shall conduct a study on the Low-*  
 9           *Income Home Energy Assistance Act of 1981 (42*  
 10          *U.S.C. 8621 et seq.)*

11          (2) *REQUIREMENTS.*—*In conducting the study*  
 12          *under subparagraph (A), the Secretary of Health and*  
 13          *Human Services shall—*

14                (A) *evaluate the performance of the Low-In-*  
 15                *come Home Energy Assistance Program, includ-*  
 16                *ing who the program is serving, the benefits of*  
 17                *the program to recipients, and the ability of the*  
 18                *program to reduce utility arrearage and shut-offs*  
 19                *among low-income households;*

20                (B) *develop a protocol for States to collect*  
 21                *information from energy distribution companies,*  
 22                *including electric, natural gas, heating oil, and*  
 23                *propane companies, concerning the following res-*  
 24                *idential customer statistics—*

1                   (i) the number of accounts certified as  
2                   eligible for energy assistance;

3                   (ii) the number of accounts certified as  
4                   eligible for energy assistance and that are  
5                   past due;

6                   (iii) the total revenue owed on accounts  
7                   eligible for energy assistance and that are  
8                   past due;

9                   (iv) the number of disconnection no-  
10                  tices issued on accounts eligible for energy  
11                  assistance;

12                  (v) the number of disconnections for  
13                  nonpayment;

14                  (vi) the number of reconnections;

15                  (vii) the number of accounts eligible for  
16                  energy assistance and determined  
17                  uncollectible; and

18                  (viii) the energy burden of accounts el-  
19                  igible for energy assistance;

20                  (C) analyze the public health and safety  
21                  threats of hypothermia and hyperthermia due to  
22                  a lack of home heating or home cooling, includ-  
23                  ing mortality, morbidity, and decrease in caloric  
24                  intake;

1                   (D) analyze the affect of the standard of  
2                   housing and housing age on energy costs to low-  
3                   income households;

4                   (E) evaluate regional difference in cost-of-  
5                   living and the ability of low-income families to  
6                   meet home energy requirements; and

7                   (F) determine the programmatic impacts of  
8                   using 60 percent of State median income to de-  
9                   termine low-income households.

10           (b) *REPORT.*—Not later than 24 months after the date  
11 of enactment of this Act, the Secretary of Health and  
12 Human Services shall submit to Congress a report con-  
13 taining the results of the study conducted under subsection  
14 (a).

15           (c) *DEFINITION.*—In this section, the term “State”  
16 means each of the 50 States and the District of Columbia.

17           (d) *AUTHORIZATION OF APPROPRIATIONS.*—There are  
18 authorized to be appropriated to carry out this subsection  
19 such sums as may be necessary for each of fiscal years 2004  
20 and 2005.

21           (e) *CONTRACTS.*—Using amounts appropriated under  
22 subsection (d), the Secretary of Health and Human Services  
23 may enter into contracts or jointly financed cooperative  
24 agreements or interagency agreements with States and pub-

1 *lic agencies and private nonprofit organizations to conduct*  
 2 *the study under subsection (a).*

3 ***TITLE III—ASSETS FOR INDE-***  
 4 ***PENDENCE REAUTHORIZA-***  
 5 ***TION ACT***

6 ***SEC. 301. SHORT TITLE.***

7 *This title may be cited as the “Assets for Independence*  
 8 *Reauthorization Act”.*

9 ***SEC. 302. REAUTHORIZATION OF THE ASSETS FOR INDE-***  
 10 ***PENDENCE ACT.***

11 *(a) DEFINITION OF QUALIFIED EXPENSES.—Section*  
 12 *404(8) of the Assets for Independence Act (42 U.S.C. 604*  
 13 *note) is amended—*

14 *(1) in subparagraph (A)—*

15 *(A) in the matter preceding clause (i), by*  
 16 *inserting “or to a vendor following approval by*  
 17 *a qualified entity upon submission of an ap-*  
 18 *proved qualified education purchase plan” before*  
 19 *the period; and*

20 *(B) by adding at the end the following:*

21 *“(iii) QUALIFIED EDUCATION PUR-*  
 22 *CHASE PLAN.—The term ‘qualified edu-*  
 23 *cation purchase plan’ means a document*  
 24 *that explains the education item to be pur-*  
 25 *chased which—*

1                   “(I) is approved by a qualified  
2                   entity; and

3                   “(II) includes a description of the  
4                   good to be purchased.”;

5                   (2) in subparagraph (D), by striking “eligible”;  
6                   and

7                   (3) by adding at the end the following:

8                   “(E) *SAVING IN IDAS FOR DEPENDENTS.*—  
9                   Amounts paid to an individual development ac-  
10                  count established for the benefit of a dependent  
11                  (as such terms is defined for purposes of sub-  
12                  paragraph (D)(ii)) of an eligible individual for  
13                  the purpose of postsecondary education.”.

14                  (b) *REPEAL OF PROVISION.*—Section 405 of the Assets  
15                  for Independence Act (42 U.S.C. 604 note) is amended by  
16                  striking subsection (g).

17                  (c) *RESERVE FUND.*—Section 407 of the Assets for  
18                  Independence Act (42 U.S.C. 604 note) is amended—

19                   (1) in subsection (b)—

20                   (A) in paragraph (1)—

21                   (i) by redesignating subparagraphs (A)  
22                   and (B) as subparagraphs (B) and (C), re-  
23                   spectively; and

24                   (ii) by inserting before subparagraph  
25                   (B) (as so redesignated) the following:

1           “(A) all grant funds provided to the quali-  
 2           fied entity from the Secretary for the purpose of  
 3           the demonstration project as described under sub-  
 4           section (c)(1);” and

5           (B) by adding at the end the following:

6           “(3) *RULE OF CONSTRUCTION.*—Nothing in  
 7           paragraph (1)(A) shall be construed to preclude a  
 8           qualified entity from depositing other demonstration  
 9           project funds into the Reserve Fund.”; and

10          (2) in subsection (d), by inserting “the date that  
 11          is 12 months after” after “upon”.

12          (d) *USE OF AMOUNTS.*—Section 407(c) of the Assets  
 13          for Independence Act (42 U.S.C. 604 note) is amended by  
 14          adding at the end the following:

15          “(4) *USE OF NONFEDERAL FUNDS.*—

16          “(A) *IN GENERAL.*—Notwithstanding para-  
 17          graph (3), not more than 20 percent of the  
 18          amount of non-Federal funds committed to a  
 19          project as matching contributions in accordance  
 20          with the application submitted by the qualified  
 21          entity under section 405(c)(4) shall be used by  
 22          the qualified entity for the purposes described in  
 23          subparagraphs (A), (C), and (D) of paragraph  
 24          (1).

1           “(B) *PRIORITY*.—In awarding grants under  
 2           section 406(b), the Secretary shall give priority  
 3           to qualified entities that submit applications  
 4           that, with respect to the commitment of non-Fed-  
 5           eral funds under section 405(c)(4), provide as-  
 6           surances that not to exceed 15 percent of such  
 7           non-Federal funds will be used by the qualified  
 8           entity for the purposes described in subpara-  
 9           graphs (A), (C), and (D) of paragraph (1).”.

10       (e) *ELIGIBILITY FOR PARTICIPATION*.—Section  
 11       408(a)(1) of the Assets for Independence Act (42 U.S.C. 604  
 12       note) is amended to read as follows:

13           “(1) *INCOME TEST*.—The—

14           “(A) gross income of the household is equal  
 15           to or less than—

16           “(i) 200 percent of the poverty line (as  
 17           determined by the Secretary of Health and  
 18           Human Services);

19           “(ii) the earned income amount de-  
 20           scribed in section 32 of the Internal Rev-  
 21           enue Code of 1986 (taking into account the  
 22           size of the household); or

23           “(iii) 80 percent of the Area Median  
 24           Income (as determined by the Department  
 25           of Housing and Urban Development); or

1           “(B) the modified adjusted gross income of  
 2           the household for the previous year does not ex-  
 3           ceed \$18,000 for an individual filer, \$30,000 for  
 4           a head of household, or \$38,000 for a joint  
 5           filer.”.

6           (f) *DEPOSITS BY QUALIFIED ENTITIES*.—Section 410  
 7           of the Assets for Independence Act (42 U.S.C. 604 note) is  
 8           amended—

9           (1) in subsection (a), by striking “qualified enti-  
 10          ty—” and all that follows through the end and insert-  
 11          ing the following: “qualified entity, a matching con-  
 12          tribution of not less than \$0.50 and not more than \$4  
 13          for every \$1 of earned income (as defined in section  
 14          911(d)(2) of Internal Revenue Code of 1986) deposited  
 15          in the account and interest earned on that account by  
 16          a project participant during that period. Matching  
 17          contributions shall be made—

18                 “(1) from the non-Federal funds described in sec-  
 19                 tion 405(c)(4); and

20                 “(2) from the grant made under section 406(b);  
 21                 based on a ratio relating to the sources of funds described  
 22                 in paragraph (1) and (2) as determined by the qualified  
 23                 entity, consistent with the requirements of section 407(c).”;

24                 (2) by redesignating subsections (b) through (e)  
 25                 as subsections (c) through (f), respectively; and



1           (3) by inserting after subsection (a), the fol-  
 2       lowing:

3       “(b) *USE OF EXCESS INTEREST ON MATCHING FUNDS*  
 4       *EARNED ON THE RESERVE FUND.*—Interest that accrues on  
 5       the matching funds earned and held in the Reserve Fund,  
 6       over and above the interest required to match an individ-  
 7       ual’s deposits and interest earned in the individual develop-  
 8       ment account, shall be used by the qualified entity to fund  
 9       existing individual development accounts or additional in-  
 10      dividual development accounts.”.

11      (g) *AUTHORIZATION OF APPROPRIATIONS.*—Section  
 12      416 of the Assets for Independence Act (42 U.S.C. 604 note)  
 13      is amended by striking “and 2003,” and inserting “and  
 14      2003, \$25,000,000 for fiscal year 2004, and such sums as  
 15      may be necessary for each of fiscal years 2005 through  
 16      2008,”.

17      (h) *APPLICATION OF AMENDMENTS.*—In admin-  
 18      istering the Assets for Independence Act (42 U.S.C. 604  
 19      note), the Secretary of Health and Human Services shall  
 20      apply—

21           (1) the amendments made by the Assets for Inde-  
 22      pendence Act Amendments of 2000 to individuals who  
 23      were individual development account holders, and to  
 24      entities that received grants, under the Assets for  
 25      Independence Act either before or after the date of en-

1       *actment of the Assets for Independence Act Amend-*  
2       *ments of 2000; and*

3               *(2) the amendments made by this section to indi-*  
4       *viduals who were individual development account*  
5       *holders, and to entities that received grants, under the*  
6       *Assets for Independence Act either before or after the*  
7       *date of enactment of this Act.*



**Calendar No. 414**

108TH CONGRESS  
1ST SESSION

**S. 1786**

**[Report No. 108-210]**

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**A BILL**

To revise and extend the Community Services Block Grant Act, the Low-Income Home Energy Assistance Act of 1981, and the Assets for Independence Act.

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NOVEMBER 24, 2003

Reported with an amendment